

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, OCTOBER 5, 1933

EVERY OBLIGATION MET

DURING EIGHTY FIVE YEARS

This is the reputation built into the character of the Ohio Farmers Insurance Company during the years since 1848.



Not only is every obligation met, but conservative, safe and reliable insurance protection is back of every policy written by the Company.

One of the oldest insurance companies in America, the Ohio Farmers in meeting every obligation, has paid many millions of dollars in claims to policyholders who have suffered losses.



OHIO FARMERS
INSURANCE CO. - LEROY, O.

FIRE PREVENTION WEEK

October 8th To 14th

The Fire Prevention Week aim - to stop fires before they start - to save human lives and preserve property. To inculcate the instinct of fire prevention in everybody, everywhere, all of the time.

Active interest in Fire Prevention Week extends from the President of the United States - to the man in the street - from the largest industry to the smallest business. The press of the country and other publicity media fully cooperate in this altruistic effort to stamp out preventable fires.

Every twenty four hours in the United States, fire destroys property to the value of \$1,236,750. Yearly, over four hundred and fifty million dollars. There is still much to be done in fire prevention.

Fire Prevention Week is an insurance man's week. He can and should lead the movement in his community. It is a definite public service - as is the whole insurance business.

Chairman of the Boards.

PROVED BY THE ACID TEST OF TIME

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The National Underwriter

Thirty-Seventh Year—No. 40

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, OCTOBER 5, 1933

\$4.00 Per Year, 20 Cents a Copy

Find Bad Practices in Truck Coverage

Sale of Shippers' Form Without Subrogation Clause Is Considered Hazardous

RATE BELIEVED TOO LOW

Practice Virtually Gives Full Coverage on Truckmen, Many of Whom Are Uninsurable

A dangerous practice is reported to have sprung up since July 1, in the selling by inland marine companies of shippers' cargo policies with the subrogation clause eliminated. Without this clause one of the most important underwriting factors is lacking, or is so uncertain an element that it could not be estimated.

The practice has a "boomerang" or double-barreled effect, which insurance men who have been writing motor truck insurance for a long time believe before long will result in heavy losses to the companies.

Pressure on Truckmen

When the Inland Marine Underwriters Association prohibited the shipper's interest endorsement, effective July 1, there was created a situation bringing a great deal of pressure on truckmen. They had been able to get along very nicely before that time, even if their finances, equipment and reputations were not of the highest order.

With the endorsement feature, they could get shipping contracts from large concerns. However, insurance companies were much disposed against many of the truckmen risks, and quoted rates as high as 7½ percent. Withdrawal of the shipper's interest endorsement made it necessary for a host of shippers to get their own direct insurance. The premium cost thus became a direct factor in their operations.

Shippers Made Demand

So competitive has been the trucking business, and so prone have been many shippers to shop for the best freight rates, that truckmen in soliciting freight contracts very soon were met by a demand from many shippers to deduct the shipper's cargo policy premium from the freight rate.

The truckmen insisted the freight rates they had quoted were so low there was no margin for such deduction. Under pressure, however, they found a way. They proposed that the shippers secure from their insurance agents and brokers elimination of the subrogation clause from the shipper's cargo policies, which would relieve the truckmen from liability, and in return they would pay the premium by deducting from freight rates.

With the subrogation clause eliminated, companies have been selling these shipper's cargo policies at rates as

Higher Unprotected Rates in East Are Anticipated

NEW YORK, Oct. 4.—Under instructions from the "powers that be," rating bodies throughout the eastern jurisdiction have been making a special study of business in unprotected territories. The object is to formulate tariffs that will more nearly measure the loss record, which latter, never attractive, has been growingly adverse for a number of years, and has now reached a point where some companies are insisting that reformative measures be applied.

Increased Rates Applied

By "unprotected" communities are meant those without municipal fire equipment, even of the volunteer variety. In such places a fire in a building usually means a total loss. Before the era of the macadam road and the automobile, companies wrote freely on properties in sizable towns that were without protection, for the moral hazard was conspicuously absent, the local agent knowing the habits and standing of every individual in the community and the approximate value of his property. It was a period of rapid building expansion, rates for average ranging from 6 to 10 percent and with commission limited to 10 percent. With the steady reduction in the premium rate and the advance in commissions, business in unprotected fields soon became unprofitable and has so remained.

Within recent years increased rate schedules for unprotected risks have been applied in New Jersey and in Mas-

sachusetts, rates previously in force being sadly out of line. Tariffs in accord with the proven hazards must be enforced in other states and doubtless will be in the near future.

While some officials contend that there is no other answer to the present unsatisfactory experience on unprotected risks than a sharp rate advance, others feel that a measure of improvement at least would be obtained if use of the three-quarters clause were made obligatory. Coupled with this belief is the assertion that adjusters would have to settle claims in strict accord with policy conditions and not let sympathy for the claimant bias an honest handling of the loss.

Account for 10 Percent

While the percentage of unprotected to general business written by the companies the country over is estimated at close to 10 percent in point of income and 14 percent as to assumed liability, the strong disposition in certain offices is either to get a proper rate for business of this character or to quit writing it altogether. It is appreciated, of course, that there is such a thing as pitching the rate too high, thereby driving many of the more desirable risks off the stock company books and to those of the mutuals and cooperatives. Hence the ruling opinion favors a middle course of getting a rate higher than the average now ruling and insisting on the agent's inspecting each risk before sending it in for review.

low as 50 cents per \$100 of gross freight charge. With the shipper thoroughly covered by a full coverage policy, truckmen have not been required so frequently to carry their own cargo policies.

The dangerous element of the whole practice is that the inland marine company is virtually writing insurance on the truckman, while receiving a very low rate under the shipper's form. The contract as usually written makes no mention of the trucking lines to be used. There is no effort to set up a known hazard in this respect. The shipper is left open to select any truckman he desires. All too frequently it is the fly-by-night truckman with little if any finances, inferior equipment, overworked drivers and no sense of responsibility who gets the job. He will quote any rate, however suicidal, to nose out competitors.

Cheap Cover on Truckmen

On the other side it is argued that a single shipper's transportation contract may be only a fraction of the work done by a truckman. It is also true, however, that many large shippers completely absorb all the facilities of some trucking concerns. In the latter case, the shippers insurance in effect is insurance on the individual truckman.

The subrogation clause is a vital part of cargo insurance. Responsibility of the truckman for his negligent acts permits insurance companies to fall back upon him for reimbursement for losses.

Even in the contracts written with subrogation clauses there is no effort to control truckmen employed. Insurance companies, thus, are laying themselves wide open to an unmeasurable hazard from a great number of truckmen whom they would not insure direct, no matter how large a premium rate was offered.

Watchmen Exempted from NRA Hour Provisions

WASHINGTON, D. C., Oct. 4.—Limitations of hours of labor under recovery codes do not apply to watchmen.

The exemption of watchmen from the shorter week has been consistently approved by the National Recovery Administration because of the impracticality in many instances of changing shifts during the night.

This is interesting news to fire insurance people, who have been faced with the task of advising clients who were unwilling to provide extra watch service to comply with NRA requirements and yet wanted to avoid the fire insurance rate penalty for lack of standard watch service. Apparently this dispatch means that the recovery administration in approving codes for the various industries is exempting watchmen from the hour provisions.

Chicago Men Ready For the Big Rally

Meeting of All Committees Is Held to Complete Final Details

BIG TURNOOUT EXPECTED

Many Entertainment Features Arranged for Convention of National Association of Insurance Agents

About 75 Chicago agents and company men, who are members of the various Chicago committees functioning in connection with the convention of the National Association of Insurance Agents in that city next week, turned out Monday for a session, at which the various arrangements that had been made were explained. R. I. Read, Crum & Forster, as chairman of the general Chicago committee, presided.

E. B. Vickery, America Fore, chairman of the hotel and transportation committee, reported that 555 rooms and 32 parlors have been reserved in behalf of 846 individuals. Most of the reservations are at the Drake hotel, but there are many others in neighboring institutions such as the Knickerbocker, Maryland and Lake Shore Athletic club. He related the efforts that have been made to induce early reservations. More than 275,000 pieces of literature have been sent out. Telegrams have been sent to every state association and every local board. Invitations have been sent to everyone who attended the convention at Philadelphia last year.

Handbook Elaborate

Hamilton Loeb exhibited sheets from the convention handbook, which is to be an elaborate booklet, suitable as a souvenir.

The get-together dinner, Mr. Loeb explained, will be held Tuesday evening. The tickets are selling for \$2.50 and may be obtained in advance at the offices of the Chicago Board, Insurance Exchange building, Chicago. The principal speaker for that occasion was not known to the Chicago people. Mr. Loeb said that the National association was attempting to sign up Hugh S. Johnson, national recovery administrator. He said an elaborate entertainment program has been arranged, including Tony Lombardo and a number of featured entertainers from the world fair. There will be no reserved tables, except for members of the executive committee.

On Thursday afternoon tours of the Underwriters Laboratories will be conducted. Provision has been made for two groups of 75 persons each to make the trip.

On Thursday evening there will be a Dutch treat dinner in the Blue Ribbon Casino at the world fair.

On Wednesday afternoon there will be a tour of the Art Institute for the

(CONTINUED ON LAST PAGE)

Pennsylvania Association Is Successful Despite Troubles

PRESIDENT LAVELLE REPORTS

Financial Difficulties and Heavy Membership Losses Fail to Daunt Agents' Group

The Pennsylvania Association of Insurance Agents has just passed through one of the worst years in its history, President J. P. Lavelle of Scranton stated in his annual address at the convention in Pittsburgh this week. Income was insufficient to meet all financial requirements and a deficit resulted. The membership dropped from 600 to 466 paid. Yet by rigid economy it was possible to meet the association bills and operations of the Harrisburg office and the association in general for the most part have been carried on as efficiently as in previous years.

President Lavelle expressed the opinion that the bottom of the depression has been passed and conditions are on the upgrade.

Heavy Legislative Season

In addition to the pressing problems of continuing operations, the association was faced with an active legislative season, over 3,000 bills and resolutions being introduced in the legislature, of which 137 related to fire and casualty insurance. Not one bill definitely harmful to the business was permitted to pass and some good measures were enacted, including an automobile liability security act and a law prohibiting Pennsylvania publications and broadcasting stations from advertising unadmitted insurance companies.

There were also many other problems considered. Branch office competition is yet an unsolved problem, Mr. Lavelle reported. The differential in commissions in various territories is causing increased unrest. Rate cutting, nourished by economic conditions, has developed into a serious threat to board companies and their agents. Failure of some companies and the problem of replacing their policies has added to the agents' troubles. Difficulty in making collections has harassed companies and agents, the latter now finding themselves with the necessity of operating under a company rule requiring payment of balances within 45 days.

Other Matters Considered

Automatic cancellation was a live issue in the association in the year just past. Mr. Lavelle said the company rule of holding up loss payments in excess of \$500 until expiration of 60 days is a debatable practice.

Another matter before the agents was the action of the insurance departments regarding the reporting of agencies that are 90 days or more in arrears. Finally there is the question of an insurance code under the NRA. There is sharp division of opinion among agents whether or not an insurance code can or should go beyond hours and wages. Mr. Lavelle said members must learn the value of continued cooperation whether or not they have a code.

Mr. Lavelle recommended that local boards classify agents and companies as to methods of operation and exert every legitimate effort toward establishment of fair practices, toward improving collections and discouraging rate cutting.

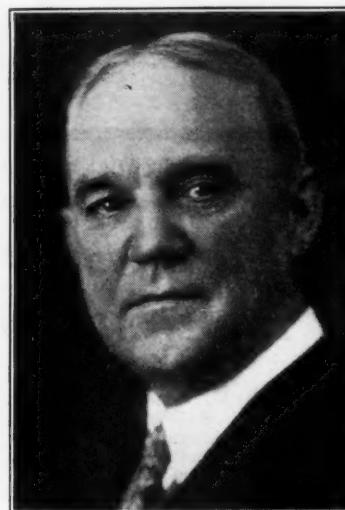
He sees trade associations in the future growing stronger. The whole federal plan of saving the country from economic chaos is built around the control of business through trade associations, he said.

The Canadian Reciprocal Underwriters, a reciprocal, is being organized under the Ontario laws and is sponsored by E. W. Brown of New York City. It will follow the same plan as the Associated Reciprocal Exchanges operated by Mr. Brown as attorney in fact, consisting of five institutions.

Official Convention Receivers



ROCKWOOD HOSMER
President Illinois Agency Association



LOUIS E. YAGER
President Chicago Board

The Illinois Association of Insurance Agents and the Chicago Board will be the official hosts next week when the convention of the National Association of Insurance Agents meets in Chicago. The two presidents of the organizations will appear as official greeters at the get-together dinner Tuesday night.

Secretary of Agriculture Commends Fire Prevention

Secretary of Agriculture Wallace is cordially endorsing Fire Prevention Week, Oct. 8-14. He said the civilian conservation corps is creating firebreaks and removing fire hazards in forests on a scale never before attained. He commended the Oregon fire marshal for the active campaign there interesting 4-H clubs in a program of fire prevention and control in rural areas. He said that farm fires destroyed last year \$120,000,000 worth of property and in rural communities, which are intimately connected with farms, the losses were about \$160,000,000. Farms and rural communities comprise about 44 percent of the population but together they suffer more than 60 percent of the annual fire loss.

Many Special Sessions Are to Be Convened This Year

A large number of legislatures before the end of the year will be called in special session. It is a foregone conclusion that sources of additional revenue will be one of the major matters considered, which probably will mean repeated efforts to tax insurance. Among the states known to be planning special sessions soon are Iowa, Kansas, Missouri, Tennessee, Wisconsin and Illinois. Arkansas, Kentucky, Ohio and New York held special sessions this year. No dates for convening of the sessions as yet have been made known.

Most of the Chicago offices closed at noon or in the middle of the afternoon Tuesday because of the American Legion parade in the city.

THE WEEK IN INSURANCE

Joint meeting of all Chicago committees is held to complete the final details for convention of National Association of Insurance Agents next week. **Page 1**

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Program is announced for the meeting of the National Association of Insurance Agents. **Page 3**

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The Illinois insurance department amplies its instructions to companies on delinquent balances. **Page 6**

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Program is announced for the annual meeting of the National Association of Mutual Insurance Companies. **Page 9**

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Pennsylvania Agents' Association carries on fight successfully despite financial difficulties, membership losses, President Lavelle reports at convention. **Page 2**

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Some of the subjects to come before the annual meeting of the Association of Mutual Fire Insurance Engineers announced. **Page 2**

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Automatic cancellation clause discussed by Denver local board, with majority sentiment opposed to the idea. **Page 3**

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P. J. Priore has been appointed assistant manager of the Sun of London at its New York headquarters. **Page 8**

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The tax scheme in New York City, a levy on the assets of life and fire companies, has been abandoned. **Page 8**

I. M. U. A. executive committee bans blanket, open or master truck cargo forms defeating sale of individual truckmen's or shipper's policies, calls on National Union for attitude regarding Chicago Association of Commerce contingent contract. **Page 3**

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National Association of Casualty & Surety Agents, at White Sulphur meeting, hits competition of Lloyd's in bankers' blanket bond field. **Page 23**

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Automobile deaths 4 percent lower for nine months, Travelers reports, but higher trend noted. **Page 25**

* * *

Commissioner Hobbs of Kansas instructs companies to broaden omnibus clause in automobile public liability policies. **Page 25**

* * *

United States attorney for New Jersey charges fraud in reinsurance of Public Indemnity by International Reinsurance, attacks New Jersey department. **Page 24**

* * *

George F. Conr, vice-president of the Globe Indemnity in charge of liability underwriting, died last week. **Page 25**

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National Compensation Council deliberating on rating plan for workmen's compensation to be submitted to Commissioner's convention in December. **Page 26**

* * *

Matter of administering Michigan's new auto financial responsibility law considered at conference of state officials and insurance men. **Page 24**

Mutual Fire Engineers Prepare for Conference

PROGRAM BEING ANNOUNCED

Number of Subjects Will Be Treated at the Forthcoming Chicago Annual Meeting

The annual meeting of the Association of Mutual Fire Insurance Engineers will be held Oct. 16-17 at the Edgewater Beach hotel in Chicago. H. I. Hawlick of the Millers Mutual Fire is president; R. D. MacDaniel, Grain Dealers National Mutual, vice-president; C. M. Rowley, Lumbermen's Manufacturers Mutual, secretary.

The subjects to be discussed are: Chemicals, safe storage and use; appraisals of general business risks; inspection service for improvements and rate reduction; value of loss adjustment knowledge; how fire prevention engineers can improve casualty risks; risks in which sprinkler protection is undesirable; border line risks; fire rates; desirability of unprotected risks; general store as a fire risk; commercial garages; motion picture theaters; damageability of fire resistive construction; domestic oil burners; selling automatic alarm service; unusual features frequently omitted from inspection reports; individual liability laws pertaining to fires due to carelessness or neglect.

New Indiana Reference Book for 1933 Is Off the Press

The Underwriters' Hand-Book of Indiana for 1933 has just been issued by THE NATIONAL UNDERWRITER. This is recognized as the standard reference book for Indiana and gives complete information on the agencies, companies, field men, general agents, adjusters, attorneys, organizations, town classifications and insurance laws of the state. Also included as a regular feature is the record of business in Indiana for 1932 showing premiums and losses for fire companies in that year as well as in the past six years, life insurance written and life insurance in force for the past six years and casualty insurance classified by lines for two years. These figures are secured through the cooperation of the Indiana insurance department prior to the publication of its annual report.

Any one seeking complete and up to date information on insurance for this state will find the Indiana Hand-Book of great value. Thousands of changes have taken place during the past year and these are all reflected in the pages. The Indiana Hand-Book is the oldest state insurance directory in the west, the first edition having been published in 1891 by the Rough Notes Company of Indianapolis.

Kentucky Adopts Marine Code

Kentucky has adopted the casualty-marine definition approved by the National Convention of Insurance Commissioners and Commissioner G. B. Senff has notified all marine companies to that effect.

Iowa and West Virginia have also declared in favor of the agreement, thereby increasing to 13 the number of states that have sanctioned the document.

Gorman with Mill Mutuals

LANSING, MICH., Oct. 4.—A. D. Baker, president of the Michigan Millers Mutual Fire, announces that F. E. Gorman, former state treasurer and more recently president of the Capital National Bank, has become a vice-president of the Mill Mutuals, handling financial relations with other financial institutions. Mr. Gorman has recently been acting as assistant to the conservator of the Capital National.

Cancellation Issue Debated by Agents

Pros and Cons Taken Up in
Talks Before Denver Agents
Group

FAIRALL FEARS CLAUSE

Most of Speakers at Meeting Unfavorable to General Adoption of Proposed Clause

DENVER, Oct. 4.—The Denver Association of Insurance Agents at its monthly meeting Friday listened to a number of speakers on the proposed automatic cancellation clause, most of them being opposed to it.

Herbert Fairall of Denver, president Colorado Association of Insurance Agents, said he feared that the clause, if adopted, would result in much misunderstanding and confusion; while on the other hand cancellation, if decided upon by the agent on his own motion, would not be fully understood by the mortgagor and all others interested. He contended that automatic cancellation would weaken the position of the local agent, and that if it became effective he would be giving up the right, which he has gained through long years of work and accumulations, to establish himself as a business man.

Credit Asset to Agent

"That is a great asset to the local agent," he declared. "The local agent, like the merchant, is in business to serve the public, and it is as great an advantage to the agent as to the merchant, where he has invested capital in his business, to extend credit to his clients. His profits are not comparable to those of the merchant, and therefore, he can not extend so much time for the payment of premiums, but if all the agents in every town and city will unite on their collection methods the whole problem will be solved without adoption of the automatic cancellation clause. The local agents can do much to eliminate long-time credit and thus get their businesses on a sounder basis."

The business of big insurance buyers whose properties are located in various states will be complicated by automatic cancellation, N. Clinton Steel declared, adding that since the forms must be approved by the insurance commissioners of the states a difference in forms would result, and requiring just one more explanation to the assured. Business of the stock company agents would suffer, he said, since the mutuals, being free from restrictions as to forms, would have the advantage.

If the cancellation clause is adopted the collection problem will not be eliminated, according to Charles Schoelzel, Jr., manager insurance department Van Schaack & Co., who said that finance companies affiliated with the larger agencies would take care of the premiums for the assured, thus working to the disadvantage of the smaller agencies without financing connections. He predicted that the amount of free insurance obtained by the assured would increase if the cancellation clause becomes effective.

Paul Spahr and T. C. Heatwole, prominent local agents, also spoke against automatic cancellation, while M. S. Schayer, former president of the Denver association, upheld it. The mortgagor would see to it that the premium is paid under automatic cancellation, he said, and the agent would have more time to solicit business and protect the public's interests.

National Local Agents Program for the Chicago Convention

TUESDAY, OCTOBER 10

- 8 A. M.—National Council Breakfast Conferences. Eastern Underwriters Association territory, E. J. Cole, Fall River, Massachusetts, presiding; Western Underwriters Association, George W. Carter, Detroit; Southeastern Underwriters Association, Matt G. Smith, Baton Rouge, Louisiana; Fire Underwriters Association of the Pacific territory, H. J. Thielen, Sacramento, California.
- 10 A. M.—National Council, President Charles L. Gandy presiding.
- 10 A. M.—State Officers, Allan I. Wolff, Chicago, Chairman National Executive Committee, presiding.
- 1 P. M.—Joint luncheon National Councillors and State Officers.
- 2 P. M.—Continuation of State Officers and National Councillors sessions.
- 7 P. M.—Annual Get-Together Dinner, President Charles L. Gandy presiding. Donald R. Richberg, general counsel National Recovery Administration, chief speaker. Address will be broadcast.

Greetings: Insurance Department of Illinois, Ernest Palmer, Director of Insurance; Chicago Board of Underwriters, L. E. Yager, president; Illinois Association of Insurance Agents, Rockwood Hosmer, Chicago, president.

Response: Sidney O. Smith, Gainesville, Georgia, member National Association Executive Committee.

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WEDNESDAY, OCTOBER 11

- 8 A. M.—Local Board Breakfast Conferences. Leaders: John K. Boyce, Amarillo, Texas; C. F. Liscomb, Duluth, Minnesota; C. O. Ransom, Cleveland.

First Convention Session, 10 A. M.

President's Annual Address and Report of the Administration, President Charles L. Gandy.

Convention Theme: "A Century of Insurance," Walter H. Bennett, Secretary-Counsel.

Discussions:

Branch Office Operation.

National Industrial Recovery Act.

Insurance Commissioners as Collecting Agencies.

Modern Insurance Trends, Lyman M. Drake, Critchell, Miller, Whitney & Barbour, Chicago, leader:

Inland Marine, A. J. Smith, Secretary, Association of Local Agents of the City of New York.

Fluctuating Contents Value Cover, Jay S. Glidden, Manager, Chicago Board of Underwriters.

Use and Occupancy, Howard Campbell of R. B. Jones & Company, Kansas City, Missouri.

Reports:

Fire Conference Committee, Percy H. Goodwin, San Diego, California, Chairman; Casualty Conference Committee, George W. Carter, Detroit, Chairman; Surety Conference Committee, Thomas C. Moffatt, Newark, Chairman.

Second Convention Session

- 2 P. M.—Executive session for National Association Members only.

6:30 P. M.—Past Presidents' Dinner.

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THURSDAY, OCTOBER 12

Third Convention Session, 9:30 A. M.

Reports:

Publicity and Educational Committee, Albert Dodge, Buffalo; Membership, Ezra M. Sparlin, Rochester, New York; Local Board, Frank T. Priest, Wichita, Kansas; Automatic Cancellation, James L. Case, Norwich, Connecticut, Chairman.

Greetings from American Association of Insurance General Agents, Henry A. Steckler, New Orleans, president.

Soliciting and Servicing Workmen's Compensation: the large risks—Cruger T. Smith, Dallas, Texas; the small risks—F. J. Ney, Minneapolis.

Highway Safety Symposium, Sam T. Morrison, Iowa City, Chairman Fire and Accident Prevention Committee, leader, assisted by William G. Hurtig, Morristown, New Jersey; L. E. Wallace, Supervisor Iowa Motor Vehicle Department; John J. Hall, Director Street and Highway Safety Division, National Bureau of Casualty & Surety Underwriters.

2 P. M.—Group Conferences (these conferences on agency management are scheduled to take place following the luncheon hour).

Group 1.—Sidney O. Smith, Gainesville, Georgia, leader, assisted by Ray C. Dreher, Advertising and Sales Promotion Manager, Boston and Old Colony Insurance Companies.

Group 2.—Frederick Hickman, leader, assisted by Frank S. Ennis, America Fore Group.

Group 3.—Albert Dodge, Buffalo, assisted by Stanley F. Withe, Aetna Casualty & Surety.

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FRIDAY, OCTOBER 13

Fourth Convention Session, 9 A. M.

Report on Local Board Breakfast Conferences.

Report on Group Luncheon Conferences.

Discussions postponed or unfinished.

Report of Committee on Resolutions.

Report of Committee on Nominations.

Election of Officers—Induction into office of New Administration.

I.M.U.A. in Ban of Master Policy

Unanimously Declares Chicago Association of Commerce Plan in Violation

OPPOSES "FLEET" CARGO

National Union Called on to Declare Position in Writing Shippers' Contingent Contract

NEW YORK, Oct. 4.—Blanket, open or master truck cargo policies such as the so-called "contingent" contract issued to the Chicago Association of Commerce shipper members, unanimously were declared by the executive committee of the Inland Marine Underwriters Association contrary to the spirit of the rules, when and if they serve to defeat the purposes of the organization and curtail the sale of truckmen's or shippers' cargo policies. All member companies have been bulletined on the action.

A resolution is reported to have been adopted by the committee to this effect, and declaring this plan in direct violation of I. M. U. A. by-laws and regulations.

Call Upon National Union

It is understood that the National Union was called upon to indicate its position, pending further action by the committee.

Another similar form is reported to have been considered by the committee and found in violation of I. M. U. A. principles. This is a master contract on truckmen in a state which is requiring truckmen as a prerequisite to obtaining state license, to procure truck cargo insurance.

The Chicago Association of Commerce policy, written by the Osborn & Lange agency, in the National Union, appears to have stirred up inland marine companies, which see in it the danger of discouraging the sale of the individual shipper's form. The plan was devised to meet the situation created by action of the I. M. U. A. in prohibiting the shipper's interest endorsement after July 1.

The Chicago association's plan was dropped like a bombshell into the pleasing prospect of additional premiums, threatening a spread of a "fleet" method of writing the shippers.

Call Meet on Consolidation

NEW YORK, Oct. 4.—Stockholders of the American Merchant Marine, Colonial States Fire and American Colony will meet Oct. 30 to vote upon the proposed merger of the three companies. The enlarged corporation is to be titled the American Colony.

New Company in Vancouver

A new fire and casualty company is being organized in Vancouver, B. C., by the Columbia Agencies, which took over the balance of the assets of the Columbia Life Assurance. James G. Wilson is general manager.

Dominion Preventionists to Meet

The Dominion Fire Prevention Association will hold its annual conference at the Chateau Laurier, Ottawa, Oct. 10-11.

Horace Fullington, successor to the Frank McAtee agency, Springfield, Mo., has sold his agency to C. P. Hicks of Springfield.

AS SEEN FROM CHICAGO

BROKERS' LICENSE NUMBERS

Users of the new Chicago handbook for 1933 are finding the brokers' license numbers an extremely practical feature. Before a commission can be paid to a broker an office must satisfy itself that he holds a state license. All of the state licenses issued up to Aug. 1 are given in the Chicago handbook.

The arrangement is particularly con-

venient. In the list of brokers are included all who hold the state license, whether they are technically brokers under the Chicago Board or not. For instance, class 1 members who hold state brokers' licenses are included in the list of brokers. Also the large number of life and casualty agents who do not qualify under the Chicago board, but who have found it necessary to take

out licenses in order to place their fire and casualty business. Thus it is only necessary to look in one place to find the list.

Agents in the Cook county towns outside of Chicago who hold state brokers' licenses are shown in their respective towns, and not in Chicago.

FIREMAN'S FUND AS HOST

The Fireman's Fund group will have three department managers at its headquarters in the Drake hotel at Chicago next week at the time of the convention of the National Association of Insurance Agents. All arrangements

have been made by Western Manager S. M. Buck, who will be aided and abetted by his efficient staff of assistants. In addition Manager C. C. Hannah of Boston, who has charge of the eastern department, will be at the headquarters as will Southern Manager C. A. Bickerstaff of Atlanta. The three managers will leave Saturday for San Francisco where they will attend the annual managerial conference at the head office.

NOMINATING GROUP NAMED

The nominating committee to select three candidates for directors of the Chicago Board to be elected at the quarterly meeting Oct. 26 consists of T. J. Byrne, Hugo Dalmar, J. C. Harding, W. F. Jacobs and W. M. Murray.

CHICAGO HOTEL SEEKS COVER

One of the large Chicago hotels Monday morning of this week put its insurance broker to work attempting to purchase riot and civil commotion and malicious mischief insurance, in view of the fact that the American Legion is holding its convention in that city. As far as could be determined, this coverage was not placed, the companies shying from the malicious mischief feature.

LUNCH TO HONOR WOLFF

Hamilton Loeb, chairman of the Chicago Insurance Agents Association, announces that a luncheon of that association will be held Oct. 17 in honor of Allan I. Wolff of Chicago. Mr. Wolff is now chairman of the National Association of Insurance Agents and the expectation is that he will be elected president at the meeting next week. W. B. Calhoun of Milwaukee, past president of the National Association of Insurance Agents, will be present and Clyde B. Smith of Lansing, Mich., another past president, has been invited.

MILLERS NATIONAL AS HOST

The Millers National of Chicago is maintaining a club room in its head office in the Insurance Exchange for the benefit of visiting agents. It reports that it has had many visitors during the summer on account of the world's fair. It expects a number of agents to pay a visit to its head office during the convention of the National Association of Insurance Agents in Chicago next week. Assistant Secretary R. S. Danforth is in charge.

BROKERS TO ELECT OCT. 27

Arthur S. Schwartz, Chicago, president of the Insurance Brokers Association of Illinois, it appears likely will be reelected at the annual meeting, which will be held in the Chicago Board auditorium the afternoon of Oct. 27. The remainder of the staff also probably will be reelected. A large agenda has been prepared. Mr. Schwartz has filled the office with distinction, much having been accomplished during his term. The brokers' association has not indicated officially its attitude toward the demand of Director of Insurance Palmer for statements from companies as to representatives whose premium balances are delinquent. However, it is understood, the organized brokers approve Mr. Palmer's action in principle, considering it for the good of the business.

Wait for G. & R. Examination

Change in the status of the Globe & Rutgers affairs has not taken place within the past ten days, action by the Tri-Continental Corporation which has an option on the 53 percent of the company's stock represented by President E. C. Jameson apparently waiting upon the examination being conducted by Froggatt and Co. The impression is that the Tri-Corporation is acting for some insurance organization, because of the character of the information it seeks, this embracing the underwriting experience of the G. & R. as to classes and territories, as well as its investments.



MOST cordial welcome is assured the Agents and Friends of the North British & Mercantile Group at company headquarters in Suite 340 at "The Drake" hotel, Chicago, Ill., during the week beginning Monday, October 9th, when the 38th Annual Convention of the National Association of Insurance Agents will be in session.

Don't miss seeing us or we'll miss seeing you!

**North British & Mercantile Insurance Co., Ltd.
The Mercantile Insurance Company of America
The Homeland Insurance Company of America
The Commonwealth Insurance Company of New York
The Pennsylvania Fire Insurance Company**

CHICAGO METROPOLITAN DEPARTMENT

INSURANCE EXCHANGE BUILDING

Home Office
150 WILLIAM STREET
NEW YORK CITY

Pacific Department
315 MONTGOMERY STREET
SAN FRANCISCO



Union Assurance Society, Limited



The Palatine Insurance Company, Limited



The Commercial Union Fire Insurance Company



The California Insurance Company



American Central Insurance Company



The British General Insurance Company Limited



The Ocean Accident and Guarantee Corporation, Limited



Commercial Union Assurance Company Limited



Columbia Casualty Company

GROUP STRENGTH

INTERNATIONAL COMPANIES WORLD-WIDE OPERATION AND LOSS SETTLEMENT FACILITIES

THE "Commercial Union Group" constitutes one of the largest and strongest insurance organizations in the world. Its activities extend to all parts of the world and embrace practically every known form of insurance.

Since their inception these individual companies have withstood the shocks of conflagrations and commercial recessions. Their far-flung operations in every phase of human activities offer greater financial protection to policyholders. These operations also make available to policyholders unsurpassed and world-wide loss settlement facilities.

These companies have steadfastly maintained a business policy based upon the knowledge that the purpose of an insurance company is to provide safe indemnity to its policyholders and security to the business interests of its agents and brokers.

All the companies of the "Group" take great pride in their business progress but even greater pride in the high character of their agency and brokerage representation which has been the bulwark of their success. A well-balanced agency will include one of these Fire and Casualty Companies.

Let the "Commercial Union Group" be your anchor of safety.

Columbia Casualty Company

Established 1920

Statement as of January 1, 1933	
Rendered New York Insurance Department	
Assets	\$ 6,165,899.66
Liabilities	4,474,777.74
Surplus to Policyholders on Basis of Market Values, December 31, 1932.....	1,691,121.92
Surplus on Basis of Ins. Comrs. Convention Values	2,872,776.90
Losses Paid to Date	24,487,588.11

COMMERCIAL UNION GROUP

ONE PARK AVENUE
NEW YORK

CHICAGO

ATLANTA

SAN FRANCISCO



That Fire Prevention and Fire Insurance go hand in hand as expressions of the fundamental urge to "Protect What You Have" is stressed in the regular North America national advertising this month. Also, the enviable financial position of the Insurance Company of North America is featured in an "open letter to the insuring public" occupying a full page in The Saturday Evening Post.

See the North America full page advertisement in the Literary Digest, October 7th, and the full page advertisement in The Saturday Evening Post of the same date.



Insurance Company of North America PHILADELPHIA

and its affiliated companies write practically every form of insurance except life

Additional Illinois Rule On Delinquent Accounts

Insurance Director Ernest Palmer of Illinois has issued new bulletins to fire and casualty companies regarding the listing of agents that were over three months delinquent in payment of balances as of Oct. 1. The additional ruling is made because of the situation in Chicago and Cook county. The insurance department is holding the companies responsible for filing a list of delinquents. At the same time it is realized that in Cook County, branch offices and class 1 agents supervise a number of sub-agents and brokers. The head offices of companies may not be aware of the delinquencies in this respect. The department has issued the following notice:

Additional Ruling Needed

"Refer to department Bulletin XB-38 under date Aug. 7, 1933, which was mailed to you some time ago, and be advised that the additional ruling should immediately be called to the attention of all your agents in Illinois who are accepting business from sub-agents or brokers. The necessity for this additional ruling arises from the fact that we are advised that a very considerable number of your agents, particularly in Chicago, are supervising agents and accept for you considerable business from sub-agents and brokers.

"It, therefore, follows that many agents and brokers licensed by the state might be delinquent in the payment of their accounts and the record would not be available here provided your principal agent was himself not delinquent and had not reported to you the delinquencies of those other sub-agents or brokers with whom he deals in your behalf.

Interested in Collections

"This department, under these rulings, is interested in collecting this data for three reasons:

"1. All agents, brokers and solicitors are licensed by the state and it is our duty to determine whether they are improperly withholding funds which they have collected from the policyholders of this state.

"2. It is the duty of this department to see that all policyholders are treated fairly and without discrimination. If certain policyholders are allowed credit for the payment of their premiums beyond a reasonable time it is in the nature of a rebate unless interest is collected on the amount owed.

"3. This department is concerned with the condition of insurance companies and the conduct of their business along reasonable and practical lines. Companies are not allowed to take credit in their annual statements for premiums over ninety days due and certainly in common with practically every other line of business they are entitled to be paid for their product within ninety days.

Not Acting as Collection Agency

"It has been said in some quarters that the insurance department, through these rulings and in the collection of this data, is attempting to act as a collection agency for the companies. Nothing could be farther from the truth or the real purpose which prompted our action.

"Neither companies nor agents and brokers need have any fear that the information we have obtained will be improperly used nor that any agent or broker will have his license cancelled without a complete review of all the facts and a hearing because certainly they are entitled to their day in court. It is obvious, however, that if this department is to properly function for the protection of the policyholders of this state, we must refuse to relicense

any agent or broker who improperly withholds premiums which he has collected and it is further obvious that companies cannot remain in a strong position unless they receive reasonably prompt payment for the policies which they issue and it is further obvious that discrimination exists between policyholders if some are granted free insurance for an unreasonable length of time."

Text of the Additional Ruling

Following is the additional ruling regarding the filing of delinquent sub-agents and brokers in Chicago and Cook county:

"Please immediately bring to the attention of your agents in Illinois, particularly in Chicago, who may be accepting business from licensed sub-agents or brokers, that they must report to you and you must report to this department on or before Oct. 15, any sub-agent or broker who on Oct. 1 shall have been delinquent in payment of balances on business written 90 days prior thereto.

"We are advised that many of your agents accept a considerable amount of business from licensed sub-agents and brokers and it is just as important for this department to know whether or not they are delinquent in the payment of their balances to your supervising agent as it is to know whether or not the supervising agent is delinquent.

"You are further to advise your agents that it is the ruling of this department that an unwarranted extension of credit to the assured which at the present time we shall consider to be more than 90 days is distinctly in the nature of a rebate unless interest is charged and collected on the delinquent balance."

Extend Hudson Bay Rates

In anticipation of a larger volume of traffic than usual, the Canadian government through the Imperial Shipping Committee obtained an extension to Oct. 7 of the lower insurance rates on vessels sailing out of Hudson Bay for European ports. Ordinarily lower rates for the route end Oct. 1.

Will Purchase Chicago General Agency

The undersigned has a client who desires to purchase either a Chicago fire general agency, a casualty general agency or one writing both fire and casualty insurance.

Buyer is in position to make a substantial cash payment. All replies will be held in the strictest confidence but must give full details.

Write or phone

Arthur J. Utter

Certified Public Accountant
A2142 Insurance Exchange Bldg.
Chicago, Illinois.
Wabash 9384

Audits FERGUSON, SERLING, DANIELS & PORTER ACCOUNTANTS AND ACTUARIES 102 Maiden Lane, New York, N. Y. Organization	Investigations Management
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Great American Insurance Company New York

INCORPORATED - 1872



IN THESE TIMES

These are times of stress and strain. We are living in a most abnormal period. Disturbances and difficulties of almost every nature confront both companies and agents—unusual situations and problems must be met and solved almost daily.

In times like these it is comforting to agents of the Great American to know they have behind them an organization capable of properly meeting every contingency, for the Great American is never a "fair weather" company. It is as solidly back of its agents and their clients during these days of stress and strain as it will be when business will have righted itself again. A tie-up with the Great American assures an agent uniform service and support, not merely in fair weather but also during the days of adversity.

WESTERN DEPARTMENT
310 South Michigan Avenue :: CHICAGO, ILL.
C. R. STREET, Vice-President



NEWS OF FIELD MEN

J. A. Semple to New York Post

American Transfers New Jersey Special Agent to Albany — Farewell Luncheon Given

NEWARK, N. J., Oct. 4.—J. A. Semple, special agent in northern New Jersey for the American of Newark, has been transferred to New York with headquarters in Albany. He has been associated in New Jersey with S. H. Reiter.

Farewell Luncheon Held

A farewell luncheon was held in his honor Monday attended by New Jersey field men and executives of the American. Mr. Semple expressed a hope that his relations in his new territory will be as pleasant as those in New Jersey. Among those present at the luncheon were Mr. Reiter, Palmer Weis, T. S. Bailey and H. C. Guempel of the American's New Jersey field force; S. E. Parker, superintendent of the improved risk department; E. A.

Davis, head of the automobile department, and H. E. Taylor, head of the sales promotion department.

Phoenix of London Roundup

The Phoenix of London is calling its western field men into Chicago next week for a conference with home office officials. The field men will thus be able to visit the world fair and attend the meeting of the National Association of Insurance Agents as well as conferring with their own associates and executives. Those from the head office who will be on hand are T. J. Irvine, secretary, and J. A. Bennett, general agent. About 15 field men are expected.

Ohio Fire Prevention Week Plans

The Fire Prevention Association of Ohio is arranging a rather elaborate program of addresses and radio programs for Fire Prevention Week. Governor White will deliver an address over WCAH at 2 p. m. Oct. 9, introducing Fire Chief Welch of Columbus. A. C. Guy, chairman of the speakers' commit-

tee, spoke Wednesday at Coshocton. H. R. Underwood of Columbus, secretary Ohio Fire Underwriters Association, will speak Monday at Dayton and B. O. Evans of Cleveland at Mansfield next Wednesday.

Booker's Field Enlarged

E. R. Booker, special agent for Crum & Forster in Virginia, is transferring his headquarters to Richmond from Farmville. He recently added the North River and United States Fire to his list following the death of Cary P. Carr, who had long supervised Virginia for these two companies.

St. Louis Pond Team Wins

KANSAS CITY, MO., Oct. 4.—The St. Louis pond of the Blue Goose avenged its defeat of early this summer when as a feature of the meeting of the Missouri Fire Underwriters' Association at Jefferson City, it beat the Kansas City pond's baseball team, leaving the score, in games, one-one.

Cox Elected Secretary

KANSAS CITY, MO., Oct. 4.—O. D. Cox, state agent for the American of New Jersey, who was elected secre-

tary of the Missouri Fire Underwriters' Association at its meeting in Jefferson City, succeeds D. R. Ford of the Springfield, who resigned due to press of private business.

Ohio Field Men Meet

The Ohio Fire Underwriters Association held first monthly meeting Oct. 3 in Columbus. C. F. Thomas, manager Western Underwriters Association, spoke.

T. E. Dye, in charge of the Columbus office of the Home Owners Loan Corporation, addressed the Ohio Blue Goose luncheon in Columbus, Oct. 2.

National Union Consolidates Field

The National Union Fire has consolidated its Kansas and Oklahoma fields under the supervision of State Agent Earl Woods, who will continue his headquarters in Wichita, at 406 Wheeler Kelly Hagny bldg., where he has handled the Kansas field for the past two years.

The Wisconsin Women of the Blue Goose opened its fall season with a luncheon and bridge party at the Ozaukee Club, near Milwaukee. Hostesses were Mrs. E. O. Spink, Mrs. A. H. Ely and Mrs. J. E. Snyder.

THIRTY-EIGHTH ANNUAL CONVENTION NATIONAL ASSOCIATION OF INSURANCE AGENTS

Welcome
to Chicago

MEMBERS of the National Association of Insurance Agents attending the 38th Annual Convention, the Millers National bids you "Welcome to our City." You are cordially invited to visit our home office in the beehive of insurance activity—the Insurance Exchange Building—close to Convention headquarters. We want to meet you, and in a friendly way explain to you what we have to offer. If you need another strong company in your agency, a company willing to go the proverbial "extra mile" to serve you well, you will be interested in the Millers National Insurance Company. » » »



MILLERS NATIONAL INSURANCE COMPANY

One of the strongest fire companies in business

CHICAGO

VIEWED FROM NEW YORK

By GEORGE A. WATSON

GENERAL BROKERS MEETING

The annual meeting of the General Brokers Association of New York will be held in New York City, Oct. 24. Judge Conway, former New York superintendent of insurance, who was married last week, will act as toastmaster. Insurance Superintendent Van Schaick will be the chief speaker.

TAX SCHEME ABANDONED

New York City's proposed asset tax on life and fire companies is abandoned under the present financial plan evolved by the city and the bankers. The board of estimate has recommended that Mayor O'Brien veto the asset tax bill, which needed only his signature to become law. While the plan involves the companies' participation in the purchase of \$70,000,000 of unemployment relief bonds, it is understood that the arrangement is not between the companies and the city but between the companies and the bankers through whom the bonds would be marketed.

The companies will avoid retaliatory taxes and a dangerous example to other states and cities that would have resulted if the New York tax had gone

through and been held to be legal. The revision of the city's financial structure and the strengthening of its credit which form part of the financing plan as it now stands will be an indirect aid to the companies in strengthening the standing of the other New York city obligations which they hold.

PRIORE ADVANCED BY SUN

The appointment of P. J. Priore as assistant manager of the Sun of London at its office in New York City is announced by Oswald Tregaskis, United States attorney and eastern manager. Mr. Priore was recently elected vice-president of both the Patriotic and the Sun Underwriters, subsidiaries of the London corporation. In addition he is a vice-president of the Sun Indemnity, having been so appointed some time ago. His underwriting career began as a junior clerk with the Aetna Life group in Hartford in 1912. Seven years later he was transferred to its New York City office, devoting particular study to underwriting automobile business. On Oct. 1, 1919, Mr. Priore joined the staff of the Sun fleet, where he has since continuously served.

INSURANCE STOCK QUOTATIONS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago.
at close of business Oct. 2

Stock	Div. per Par	Share	Bid	Asked	Stock	Div. per Par	Share	Bid	Asked
Aetna Cas.	10	1.60	45	47	National Cas.	10	.5	5	6
Aetna Fire	10	1.60	29	31	National Fire.	10	2.00	44	46
Aetna Life.	10	...	16 1/2	18	National Liberty.	2	.10	5	5 1/2
Amer. Alliance.	10	1.00	13	15	National Union.	20	...	50	55
American, N. J.	2.50	.50	8	9	New Amst. Cas.	5	1.20	13	14
Amer. Surety.	25	...	18	19	New Brunswick.	10	.50	14	16
Automobile, Conn.	10	1.40	16	18	North River.	2.50	.60	15	16 1/2
Boston.	100	16.00	450	470	N. W. National.	25	.50	84	87
Carolina.	10	1.00	13	15	Occidental.	10	...	15	18
City of N. Y.	100	7.50	132	136	Pacific Mutual.	10	2.00	24 1/2	26 1/2
Conn. General.	10	.80	26 1/2	29	Phoenix, Conn.	10	2.00	57	59
Continental As.	10	2.00	26	28	Prov. Wash.	10	.80	22	24
Continental Cas.	5	...	10	11	Sprgfd. F. & M.	25	4.50	79	82
Continental Ins.	2.50	1.20	25	26	S. Paul F. & M.	25	6.00	113	116
Fidel.-Phenix.	2.50	1.20	25	26 1/2	Sun Life.	100	...	375	400
Fireman's Fund.	5	3.00	51	52	Travelers.	100	16.00	380	395
Fireman's F. Ind.	10	...	20	22 1/2	U. S. Fire.	4	1.20	29	31
Firemen's.	5	...	4 1/4	5 1/2	U. S. Fid. & G.	2	...	3 1/4	4 1/2
Franklin Fire.	5	1.00	15 3/4	16 1/2	Westchester.	2.50	1.00	17	18
Glens Falls.	10	1.60	23	25					
Great Amer. Ind.	1	...	6	7					
Great American.	5	1.00	15	17					
Hanover.	10	1.60	22 1/2	23 1/2					
Harmonia.	10	.50	14	16					
Hartford Fire.	10	2.00	43	45					
Hartford St. B.	10	1.60	48	50					
Home, N. Y.	5	1.00	18	19					
Home F. & M.	10	2.00	24	28					
Ins. Co. of N. A.	10	2.00	40	42					
Maryland Cas.	2	...	2 1/4	2 3/4					
Mass. Bonding.	25	...	10	14					

Cuban Business Not Sought

Such of the American fire companies as are writing war risk covers in Cuba are demanding a rate of 1 percent a month, and are not particularly eager for the business even at that figure. The general situation in the island is held to be surcharged with dynamite.

Program Is Announced for the Big Mutual Convention

The program for the annual meeting of the National Association of Mutual Insurance Companies which will be held at the Nicollet hotel, Minneapolis, starting Oct. 9, has been issued by Harry Harrison, secretary Worcester Mutual Fire of Worcester, Mass. This is a hard working convention with a number of groups meeting from time to time.

On Oct. 9, there will be a meeting of the windstorm and hail group. J. F. McArdle of Omaha, secretary of the State Farmers, is chairman. Talks will be made by W. R. Overmier of the Federal Land Bank of St. Paul; Secretary M. A. White of the Fremont Mutual Fire of Fremont, Mich.; W. V. Buras, president State Mutual Rodded Fire of Flint, Mich. President D. P. O'Neill of the Farmers Home Mutual Tornado & Cyclone of Minneapolis will give the greeting and the response will be by C. E. Warner, treasurer of the Buckeye State Mutual of Covington, O. The leaders in charge of the question box of this section are H. F. Gross, secretary Iowa Mutual Tornado of Des Moines; E. C. Mingenback, secretary Farmers Alliance of McPherson, Kan.; W. E. Straub, president Farmers Mutual, Lincoln, Neb.; President L. W. Sunday of the Michigan Mutual Wind-storm of Hastings, Mich.

Session of the General Convention

There is a general meeting called for the first afternoon over which President Harrison will preside. At the general meeting in the evening he will present the presidential address and a talk will be made by Insurance Commissioner G. W. Brown of Minnesota.

President Harrison will preside at the state association breakfast on the morning of Oct. 10, the main speakers to be Secretary M. A. White of the Fremont Mutual Fire of Fremont, Mich.; Secretary H. F. Gross, Iowa Mutual Tornado of Des Moines; Secretary O. E. Hurst of the Hurst Home of Lexington, Ky.; Charles Holz, secretary Illinois State Association of Mutual Insurance Companies at Buckley, Ill.; L. P. Dendel, secretary Michigan State Association of Mutual Insurance Companies at Lansing, Maurice Douglas, president Mutual Insurance Companies Union of Indiana at Flat Rock; F. A. Hoffman, secretary Eastern Federation of Mutual Insurance Companies, Havre de Grace, Md.; H. F. Gross, secretary Iowa Association of Mutual Insurance Companies at Des Moines; J. H. Rolston, secretary Virginia Association at Harrisonburg.

Farm Group Meeting

The farm group meeting will follow with M. A. Pierson, secretary Farmers Mutual Fire, and president of the New Jersey State Association of Mutual Insurance Companies at Washington, N. J., presiding. The speakers will be A. E. Anderson of Cottonwood, Minn., secretary of the North Star Mutual, Norwegian Mutual and Mutual Creamery & Cheese Factory Fire; R. J. Chase of Lockport, N. Y., secretary Farmers Mutual; Judge H. T. Ronning, Wilmar, Minn.; A. A. Anderson, secretary Hilmar Mutual Fire of Hilmar, Cal.; C. L. Frost, secretary Farmers Reliance Mutual of Montour Falls, N. Y.; H. L. Gross, assistant secretary Iowa Mutual Tornado of Des Moines; V. N. Valgren of Washington, D. C., senior agricultural economist U. S. Department of Agriculture.

Automobile and Compensation Meeting

The automotive and compensation group will meet at the same time with A. C. Alderfer, Harleysville, Pa., secretary Mutual Automobile, presiding. The speakers will be H. J. Rowe, president Home Mutual of Des Moines; J. J. Miller, secretary Auto Owners of Lansing, Mich.; D. R. Higgins, assistant

secretary Farmers Mutual Liability, Indianapolis; J. E. Keltner, assistant secretary Farm Bureau Mutual Automobile of Columbus, O.; G. J. Mecherle, president State Farm Mutual Automobile of Bloomington, Ill.; H. Hjermstad, secretary Citizens Fund Mutual, Red Wing, Minn.; A. C. Alderfer, secretary Mutual Automobile Fire of Harleysville, Pa.; C. W. Ingham, claim manager State Farmers Mutual Automobile, St. Paul; C. N. Crispin, secretary Motorists Mutual of Columbus, O.; Wesley Johnson, secretary Allied Mutual Automobile of Des Moines; Walter Rutledge, manager automobile department Farmers Mutual Hail of Des Moines.

In the evening there will be a talk by United States Senator Shipstead of Minnesota.

On the morning of Oct. 11, the farm group will meet again, the speakers being A. J. McGuire, secretary Land O'Lakes Creameries, Minneapolis; J. E. Kennedy, chief assistant fire marshal, Madison, Wis.; Dr. C. M. Vanstone, managing director Wawanesa Mutual

Fire of Wawanesa, Man.; Glenna W. Watkins, assistant secretary Indiana Mutual Fire & Cyclone at Indianapolis.

The city and town group will meet at the same time with Robert Gerstner, assistant secretary Mutual Fire of Indianapolis, presiding. The speakers will be J. H. R. Timanus, assistant secretary Philadelphia Contributionship; Adam Schmitt, president Hamilton County Mutual Fire of Cincinnati; H. A. Brinkhaus, president Washington Mutual Fire of Louisville; Henry Weihbrecht, secretary Badger Mutual Fire of Milwaukee; J. C. Mindermann, secretary Mutual Fire of Covington, Ky.; B. R. Jones, president Town Dwelling Mutual, Des Moines; F. A. Hoffman, secretary Eastern Federation of Mutual Insurance Companies, Havre de Grace, Md.; August Fuge, secretary West Bend Mutual, West Bend, Wis.; Harry Schaeper, secretary Newport Mutual Fire, Newport, Ky.

On the morning of Oct. 12, there will be a breakfast meeting with the hail people with Julius Bubolz, secretary Bubolz Town Mutual, Appleton, Wis., presiding, the speakers to be W. A. Rutledge, secretary Farmers Mutual Hail of Des Moines; F. R. Baker, assistant secretary Mutual Hail of Indianapolis; Paul Rutledge, secretary Farmers Mutual Hail of Columbia, Mo.;

W. B. McFarland, secretary Grant Township Mutual of Hooperston, Ill.

At the general meeting the last day presided over by President Harrison, A. V. Gruhn of Chicago, general counsel of the American Mutual Alliance, will present the mutual insurance code, which has been drawn up for the Federation of Mutual Fire Insurance Companies, National Association of Automotive Mutual Insurance Companies, the National Association of Mutual Casualty Companies and the National Association of Mutual Insurance Companies.

Topics to Be Discussed

Some of the topics to be discussed during the week are: Insurance requirements of the mortgagee, the selling of mutual insurance, what is expected of and offered to the mortgagee, standard farm mutual law, legal problems of the farm mutuals, financing farm mutuals, the farm situation with special reference to debt, taxes and insurance, loss prevention, rates, non-assessable policies, perpetual single payment policies, investments, nuisance claims, cash payment vs. delayed plan in hail, adjusting on basis of actual loss rather than on per acre value stated in the policy, deductible hail policies.



HAVE YOU THE COURAGE OF YOUR CONVICTIONS?

• If you believe that insurance is an absolute necessity. That insurance will be sold this year. That to sell more insurance your sales tools must be keener than your competitors'. That a right plan for selling insurance will be more profitable than it ever has been. And a wrong one more costly. Then we have something which will interest you.

It is a free book called "Making More Money." It contains the basic plan for successful insurance selling—the plan which was awarded the Insurance Advertising Conference Trophy at Toronto. This definite, workable, tested plan helps present Boston and Old Colony agents make more money. It will help you make more money.

Increased premium income this year is only a question of plan and salesmanship. Mail the request coupon today—that is if you have the courage of your convictions.

SEND TODAY FOR THIS FREE BOOK

BOSTON INSURANCE COMPANY,
OLD COLONY INSURANCE COMPANY,
Desk C, 87 Kilby Street, Boston, Mass.

Send me "MAKING MORE MONEY" which contains your basic plan for successful insurance selling. I understand I may keep this book without charge and without obligation.

Name

Address

.....



Honored Michiganders



O. A. JENISON

LANSING, MICH., Oct. 4.—More than 150 leading citizens of the community and insurance men from all parts of the middle west, many accompanied by their wives, joined in an unusual tribute to two insurance veterans at the testimonial dinner for O. A. Jenison and George Goodell, presidents, respectively, of the Dyer-Jenison-Barry company and the Lansing Insurance agency, affiliated organizations.

James Victor Barry, former Michigan commissioner and one of the original incorporators of the Dyer-Jenison-Barry Company, now director of research of the Life Extension Institute, came from New York to preside in his inimitable fashion as toastmaster. He declared, however, that this was "the first time that I have ever been allowed to participate in the agency's affairs."

Presentation of Gifts

A feature of the dinner was the presentation to the honor guests, including Mr. Barry, of articles constructed from wood salvaged from the ancient cottage in which Mr. Jenison was born. The cottage site is now the location of the office building occupied by the agencies. Mr. Jenison, who was celebrating his 68th birthday, coincident with the 75th anniversary of the agency organization and its immediate predecessors, was presented a cane rack to facilitate the display of his unusually complete collection of canes, picked up in all parts of the world. Mr. Barry was given a gavel, which he regretted he has not had for the past 35 years in presiding at after-dinner speaking programs but which he assured the gathering he would use "for the next 35 years." Mr. Jenison and Mr. Goodell were given as a joint gift a directors' table constructed from the historic wood without use of nails but with some of the original pegs, adz marks and holes of square, hand-wrought nails still visible. Mr. Goodell



GEORGE M. GOODELL

was also given a table lamp with an adjustable table attached made from wood obtained from the barn on the farm where he was born.

Both men were paid high tribute for their long and honorable business careers in Lansing, dating from before the formation of the Dyer-Jenison-Barry Company 35 years ago. Commissioner C. E. Gauss, one of the speakers, attributed their success to that intangible quality of character which invested so many of the institutions that have lasted down through the years and prospered in spite of adversity.

Brief talks were made by two other former commissioners, F. H. Ellsworth, president Michigan Surety, and J. T. Winship, Battle Creek. The two immediate predecessors of Commissioner Gauss, C. D. Livingston and L. T. Hands, were unable to attend but sent their regrets. Other speakers were: R. E. Olds, Lansing capitalist and automotive pioneer; R. H. Scott, president Reo Motor Car Company; Clyde B. Smith, former president National Association of Insurance Agents, who lauded his rival agents for their clean competition through the years, and Howard Pett, president Lansing Chamber of Commerce.

Telegram from Roosevelt

A telegram dispatched from President Roosevelt's special train en route to Chicago expressed the President's good wishes and declared that the occasion recalled "pleasant memories" of his own business life when he was connected with the Fidelity & Deposit, a company long represented by the Lansing agency organization.

Another honored guest at the dinner was Mrs. Jarvis Patton, a daughter of the late Capt. George Dyer, the senior member of the Dyer-Jenison-Barry Company. Her appearance was a surprise to both Mr. Jenison and Mr. Goodell.

O. A. Dexter Is Appointed Secretary of Granite State

O. A. Dexter has been appointed secretary of the Granite State Fire, which is owned by the New Hampshire Fire, succeeding the late J. W. Emery. He joined the company 27 years ago and in 1919 was made assistant secretary following the death of A. F. Howard. Both Messrs. Dexter and Emery were formerly mayors of Portsmouth. L. A. Watson has been appointed assistant secretary.

The Equity Fire of Kansas City has been licensed in Oklahoma, with H. L. Lawrence, Oklahoma City as state agent.

Offsetting Premium Claim by Agent Against Bankrupt

Question: An assured of mine has just taken bankruptcy owing me a balance beyond the return premium that can be salvaged through cancellation. I owe this assured a bill for merchandise that I purchased from him and charged to my account.

Can my account be applied to the balance owing me for insurance for the purpose of reducing the amount the assured owes me?

Answer: To our knowledge, there is no law or case touching squarely upon this question. As a matter of custom,

such offsets are allowed and our advice would be to get in touch with the trustee in bankruptcy and undertake to make a deal. The courts, as a rule, will validate the granting of offsets.

Get Busy on Valuations

NEW YORK, Oct. 4.—The committee on valuation of the National Convention of Insurance Commissioners is hard at work on its task, preliminary to submitting its recommendations to the commissioners here Dec. 5-6. The particular problem confronting the committee is as to the equitable method of valuing bonds of states and municipalities that are in default and the rating to be allowed common stocks. The amortization of bonds in good standing will likely stand with respect to securities of fire and casualty as well as life companies, the question being as to the treatment of bonds in default.

Dumas-McGehee, Ark., Organized

The Dumas-McGehee Insurance Exchange of McGehee, Ark., has been organized with the following officers: Fay Joyner, president; Mrs. Viola Wiloughby, vice-president; S. T. Frank, secretary-treasurer. It represents approximately 90 percent of the entire fire and casualty premium volume written in the town.

Kansas Farm Mutual Falls

T. J. Cummings, Jr., a local agent at Ottawa, Kan., has been appointed receiver for the Franklin Mutual Fire, a local company writing farm business. Inability to pay claims because of the frozen condition of the assets, principally investments in farm mortgages, cause its failure. It was organized in 1906. Assets Dec. 31, 1932, were \$105,399. Net premium income was \$76,072 and losses paid \$76,043.

Adjuster Erion Clarifies a Point in His Address

Frank L. Erion, well known Chicago adjuster who made a talk before the Chicago Insurance Examiners Association, calls attention to a misstatement in the report of his address in which he was made to say, "Raw distillers' stock undoubtedly would include distilled but not finally aged spirits." He says:

"I was misquoted in the forum concerning whiskey aging in bond. In the U & O forms 'raw stock' is defined as material in the state in which insured receives it. Therefore distillery products aging in bond cannot be considered as raw stock."

Defines Stock in Process

"Stock in process" is defined to be raw stock that has undergone any aging, seasoning, mechanical or other process in the plant of insured. It has developed that some distillers age all their product to be eventually sold by them as ready for consumption direct to jobbers or retailers while other distillers might sell all or part of their product as soon as produced or at any time thereafter to speculators or blenders who then in turn allow it to age in bond.

"The question was whether whiskey aging in bond was 'stock in process' or 'finished stock.' The conclusion was that if the distiller wished to have it considered 'stock in process,' it would be advisable to have such fact specifically stated in the form and a rate charged based upon the desired length of time which should not be allowed to exceed two years.

"If you will be good enough to give publicity to the above, it will be helpful to those agents who are interested in the matter and it may in turn relieve the minds of some officials who might otherwise feel that I did not know what I was talking about."

Report of Delinquents Is Required by 21 States

MANY LAST MINUTE PAYMENTS

None of the Commissioners Has Yet Indicated What He Will Do When Information Received

Although the companies in many states are being required to report lists of brokers whose balances are more than 90 days due as of Oct. 1, they will have 30 days in which to submit this information to the state officials. Twenty-one states, according to a tabulation of the National Board, are requiring this information.

Those jurisdictions are: Alabama, Arkansas, California, Connecticut, Delaware, District of Columbia, Florida, Illinois, Indiana, Maryland, Michigan, Minnesota, Nebraska, New Mexico, New York, North Carolina, North Dakota, Ohio, Rhode Island, Utah and West Virginia. Many balances were cleaned up or greatly reduced as the dead-line drew near. The agents capitalized the situation in making collections from clients and the companies in collecting from agents and brokers. Many of the agents who are being reported to the state departments are those who have been trusted and their old balances frozen. Since the bank moratorium there have been very few new names appearing on the delinquent sheets. Current balances since that time have been kept up satisfactorily. The big problem has been old money, both for the agent and the company.

None of the commissioners has given any indication of what action he expects to take when the delinquent lists are received. Much indexing work will be required inasmuch as an agent may be reported delinquent by more than one company. The business assumes that immediate action is not contemplated by the commissioners but that when license renewal time arrives next year those who are still on the delinquent list will be questioned.

The British & Foreign Marine, a member of the Royal group, has joined the National Board.

New Head of Waterloo, Ia. Board Has Been Chosen



WATERLOO, IA., Oct. 4.—J. R. Vaughan is the new president of the Waterloo Insurers Association. He succeeds L. J. Duke who was made chairman of the executive committee. Other officers are David E. Segar, vice-president; B. L. Holton, secretary-treasurer. A. K. Smith and H. C. Miller are the other members of the executive committee. Mr. Vaughan was formerly president of the Iowa Association of Insurance Agents.

Will Preside



HARRY HARRISON, Worcester, Mass.

At the big convention of the National Association of Mutual Insurance Companies to be held in Minneapolis next week, Harry Harrison, secretary of the Worcester Mutual Fire, Worcester, Mass., and head of a large mutual agency in his city, will preside at all the general sessions. He is one of the big men in his organization. T. G. McCracken, who recently was elected vice-president of the National Retailers Mutual Fire of Chicago, is vice-president and will undoubtedly succeed to the presidency.

Changes in Operations of Phoenix of Hartford Group

The Phoenix of Hartford has been making certain changes in the method of handling the operations of certain of its affiliated companies and departmental offices.

Agency writings for the Minneapolis Fire & Marine in states other than Minnesota and Wisconsin are reported to Hartford rather than to Minneapolis as heretofore. Minnesota and Wisconsin continue to report to Minneapolis.

Agency writings of the Central States Fire of Wichita outside of Kansas and Oklahoma, are being reported direct to Hartford. Kansas and Oklahoma continue to report to Wichita.

Both companies continue their corporate entity and corporate headquarters as heretofore, and the changes have been made purely in the interest of economy.

The Midwest Department of the Phoenix and the Central National Department of the Connecticut at Des Moines have also been placed upon a direct reporting basis for recording agency business. The gradual consolidation of the departmental plan is being supervised by State Agent P. J. Payeur with the assistance of State Agents F. B. Phillips and Ralph A. Elliott.

Stand By Philadelphia Pact

PHILADELPHIA, Oct. 4.—Despite rumors to the contrary, a check-up of the membership of the Eastern Underwriters Association is understood to reveal that all companies are standing by the commission agreement determined upon for the Philadelphia field some months ago, and which became operative July 1. Under its terms all recognized agents in the territory are being paid flat 30 percent commission plus 10 percent contingent, while non-policy writing agents and brokers are allowed 20 percent without contingent.

Several questions have been raised by agents of Philadelphia proper as a basis for a new agreement so far as the city is concerned. Hope is expressed that

an accord will be reached, executives and agents displaying a willingness to meet upon a common ground and along lines that will end the irritating situations that have existed.

Reinsures Texas Farm Risks

The Texas farm department of the American of Newark is being discontinued and the business has been reinsured by General Agents Cravens, Dargan & Co. of Houston, according to an announcement made by State Agent C. M. Hunt of the American. The Texas farm department of the American started operation in 1930. It had not been possible during the three depression years to build up a sufficient volume of desirable premiums to justify field and office expenses necessary to properly service the class in the widely scattered Texas territory.

"Cravens, Dargan & Co. were chosen as reinsurors," said Mr. Hunt, "because they have the oldest farm department in

Texas, with 14 companies now as members."

Annual Meeting Held

With the exception of Benjamin Rush, president of the North America, the 15 directors of the American Institute of Marine Underwriters were reelected at the annual meeting. J. F. Purcell of the North America was elected to take the place of Mr. Rush. The directors will elect officers and appoint committees at a later meeting.

Ohio Agent Auto Victim

F. M. Sawyer, local agent at Marysville, O., whose skull was fractured in an automobile accident, has been removed from the hospital to his home. He is a brother of Walter A. Sawyer, Ohio state agent of the Fireman's Fund.

Its regular quarterly dividend of 75 cents per share has been declared by the Fireman's Fund.

THE FEARFUL YEARS

These years of the locust teach lessons hard but worthwhile. If the recent unregretted unpleasantness does no more than drive home the fundamental need for stability in business its cost will not have been too great.

And another priceless lesson has been taught: that stability cannot exist without cooperation and fair competitive methods. Long before the President placed so much stress on them we believed in trade organizations and the work they do. As you doubtless know, we are "organization" companies. We concurred in the National Association's Milwaukee Resolution. It is our conviction that only through the cooperation of the best minds among industrial, commercial and insurance organizations can the business of fire insurance and the agency profession reach their utmost usefulness to the public.

We invite analyses and investigation. Our agency policies are just and equitable, our investments are conservative, our loss-paying record excellent, our management and field staff experienced, capable and helpful. Our Best's Ratings, our financial statements, our security portfolio, our reports to insurance departments, our treatment of agents will stand the closest scrutiny. Two hundred years, and more, of sound insurance have built for us a tradition and reputation of faultless integrity and fair dealing.

Send for our new, 32-page brochure, "Through the Years"—no obligation, of course. It gives our investment holdings, financial statements, Best's Ratings, comparative investment statistics, agency policies and other interesting facts about three of the soundest companies in America's stabilizing industry.

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MANHATTAN

Fire and Marine Insurance Company

UNION FIRE,

Accident and General Insurance Company



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Van Schaick's Sound Counsel

SUPERINTENDENT VAN SCHAICK of New York in his address before the casualty men at White Sulphur Springs made some observations that should be pondered over carefully and thoroughly by all in the business. Mr. VAN SCHAICK's office has had the opportunity to dissect companies that have collapsed during the last couple of years. His men have performed a post mortem and they have discovered ailments that caused corporate death which could have been prevented. For instance, the New York superintendent said in these companies there was every evidence of unsound underwriting and the following of practices that eventually lead to disaster. He

referred particularly to writing business at less than cost, granting perquisites that were far beyond what should be given, the indulging in liberality in acquisition cost that takes companies far beyond the well traveled road. Superintendent VAN SCHAICK made this observation:

"Sound underwriting coupled with high grade management is the best protection that is afforded the public."

Although the experience has been sad and the results tragic, there are valuable lessons that have been learned. It pays to keep in the middle of the road and travel a course that experience has showed to be the right and safe one.

Taking Over Under-Average Companies

WHEN one counts up the results of companies reinsured or bought where their business was not up to standard it is very doubtful whether there has been a transaction of this sort that has proved satisfactory. There is value in absorbing or taking a company whose business is high grade. When business has been paid for beyond what it is worth, when the underwriting has been loose, when concessions of various kinds have been granted agents, when on the whole the company has not had good management its business certainly is very speculative.

We have watched from time to time

companies of this kind taken over, either through the reinsurance route or by purchase of stock. The company doing the absorbing inherits considerable grief. Business that has not been put on the books in a reasonable way does not mix with good business. It will not stick and often the selection is against the company. The claim ratio is very likely to be high. There is a big temptation to write business on the wholesale plan in this way by taking over a company. Those who are tempted to buy business of this kind should have a care as to its quality. Partly decayed fruit soon affects the very choicest in the barrel.

Two Cincinnati Presidents

CINCINNATI was honored last week by the election of two of her prominent insurance men to the presidencies of national associations.

C. VIVIAN ANDERSON, special agent of the PROVIDENT MUTUAL LIFE, and one of the largest personal writers in the state, was made president of the NATIONAL ASSOC-

CIATION OF LIFE UNDERWRITERS at Chicago, while the popular J. R. MILLIKAN, general agent of the FIDELITY & CASUALTY, became president of the NATIONAL ASSOCIATION OF CASUALTY & SURETY AGENTS at the White Sulphur Springs convention of that body. Both are truly representative of sound and progressive insurance.

Value of First Aid Equipment

LAST year 37 percent of all reported fires in risks insured by the factory mutuals were extinguished solely by first aid equipment such as extinguishers, fire pails, small hose, either singly or in combination. There is a lesson to

be learned from this as to the value of first aid fire equipment. Often these devices are put into operation before the sprinklers start to operate with a result that a budding fire is extinguished.

PERSONAL SIDE OF BUSINESS

J. B. Thompson, formerly superintendent of insurance of Missouri, who since he retired from office has been in charge of the life insurance exhibit at the Century of Progress Exposition at Chicago for the American Life Convention, has joined the agency department of the Kansas City Life. Before being appointed Missouri superintendent he was general agent for the Sentinel Life of Kansas City.

Henry G. McMillan of Knoxville, Tenn., well known local agent, former president Tennessee Association of Insurance Agents, is one of the chief factors in the organization of the Tennessee Life of his city, which has been incorporated with \$350,000 authorized stock and \$100,000 surplus.

W. W. Gilmore, Pacific Coast manager for the London & Lancashire, has returned to his office in San Francisco from a business trip to Honolulu.

The associates of J. H. Burlingame, Jr., manager of the Cincinnati branch of the Western Adjustment gave a luncheon in his honor in recognition of his having completed 20 years of service in that office. Mr. Burlingame joined the Western Adjustment in 1913 when his brother, Rex Burlingame, was manager and remained in the capacity of general adjuster until Jan. 1, 1932, when he was appointed manager.

G. A. Crux, 73, of the general agency committee and special investigator of the Pacific Board, whose career in the insurance business is dated back to the days when he was affiliated with the old Pacific Insurance Union, died in San Francisco following a short illness. Mr. Crux, who came from England in the days of windjammers, arrived in San Francisco at an early age and after having been there a short while became associated with the Pacific Insurance Union in March, 1888, as an examiner, later becoming chief examiner. Later he was affiliated with the Pacific Board when that organization succeeded the old Union, and remained with the board until 1906 at which time he resigned to become assistant manager for the Caledonian. In 1916 Mr. Crux was appointed manager for the Fred S. James & Co. group in San Francisco, later severing connections with that firm in 1920 when it established a branch office. He then entered a semi-retired life to rejoin the board a few years ago in the capacity of special investigator.

E. M. Griggs, associate general counsel of the National Board in its Chicago branch office, this week started on a vacation with Mrs. Griggs, planning to tour by automobile through Kentucky and Tennessee. Points on his itinerary include Frankfort and Bardstown, Ky., Mammoth Cave and the Cumberland mountains.

Miss Donnah Tuthill of the Brown Insurance Agency, Detroit, has joined the deserters from the army of business bachelor girls by marrying Hugh Martin, a member of the rescue squad of the Detroit fire department. Miss Tuthill is known throughout the state as George Brown's chief assistant in his management of the Michigan Association of Insurance Agents. She has been associated with him for over five years and is not only an efficient assistant secretary but a good all-round insurance woman.

G. W. Graham, state agent of the New York Underwriters for western Ohio, had a thrilling experience last week. He was in the Exchange Bank at Luckey, O., 18 miles southeast of Toledo, when an attempt was made to rob the bank. One bandit was slain and the village marshal was wounded. H.

G. Helm, the cashier, conducts a local agency. The man ordered Mr. Helm, Mr. Graham and a farmer who was in the bank to a back room at the point of his gun. Mr. Helm pulled the burglar alarm which brought the town marshal.

M. B. Evans, San Francisco agency superintendent of the Royal, will be married to Miss Virginia C. Hamner Oct. 24.

R. S. Greer, special agent for the Automobile in Mississippi, is recovering from an automobile accident which has kept him in the hospital for several weeks.

While G. Gordon Long, Virginia state agent for the Aetna (Fire) group, was attending church services recently in Richmond, his automobile, parked in front of the place of worship, was carried off by thieves. It was found several days later on the outskirts of the city, stripped of most of its parts. Fortunately, the car was fully insured.

T. Stanley Goodridge, special agent for the Virginia Rating Bureau with headquarters at Alexandria, is the proud father of a son, T. Stanley, Jr., who is the only grandson of George McG. Goodridge, Virginia state agent for the Fireman's Fund.

E. W. Hotchkin, western manager of the Royal group, was in Indianapolis the latter part of last week.

J. Y. Shoop, who was at one time known as the best appraiser in the mid-west, will celebrate his 100th birthday Oct. 9. Mr. Shoop started as an independent adjuster in 1857 and handled his last job at the age of 86. He was originally a builder but his work as an appraiser stirred the respect and confidence of both insurance interests and the general public and he was highly sought for many years. He is also credited with coaching many of today's leading adjusters.

Mr. Shoop lives in Cleveland at the home of his son, A. D. Shoop, who is an adjuster for the Western Adjustment.

Considerable research work in preparing an insurance section for a Michigan historical encyclopedia is being done by Charles D. Livingston, former Michigan commissioner. Mr. Livingston was a visitor at the Michigan department the past week in quest of some of the elusive data regarding ancient companies which were founded in the state. Records of some of these early carriers are extremely meager and name changes, mergers, and sales makes tracing their history a complicated procedure.

C. W. Pierce of America Fore Writes on Agency Service

"Agency Service" is the title of a booklet written by C. W. Pierce, vice-president America Fore, which will be distributed to agents. The work presents forcibly the service the alert agents may render their clients, in advising at all times of the amount and form of coverage required for proper protection, in counseling in the event of loss and in securing from their companies such special service as may be necessary to aid assureds in the solution of intricate problems. Strongly endorsing the American agency system, Mr. Pierce points out its numerous advantages, the careful observance of which will sufficiently answer any who may challenge its effectiveness.

The Brader-Wehrmann Insurance Agency Company has been incorporated in St. Louis by A. H. Brader, D. R. Wehrmann and P. B. Bartman.

FOR FOUR SCORE YEARS
A LEADER
 IN THE CONSERVATIVE DEVELOPMENT
 OF AMERICAN FIRE INSURANCE



CASH CAPITAL	\$12,000,000
NET SURPLUS	\$27,508,150.95
SURPLUS TO POLICY-HOLDERS	\$39,508,150.95
LIABILITIES EXCEPT CAPITAL	\$54,808,243.41
TOTAL ASSETS	\$94,316,394.36



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THE AMERICAN Fire Insurance business, as it exists today, has not "just grown." No business in America is organized on a more scientific basis.

In establishing the business on its present high plane, the Home has always played a leading part.

Its leadership in constructive development has followed naturally from its consistent adherence to conservative underwriting and prudent investment.

These policies have enabled it to meet promptly its losses from great conflagrations and to maintain a sound asset position throughout the most severe business depressions.

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Strength

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Reputation

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Service

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Rate Case to Supreme Court

High Tribunal Now Has Under Advice
ment Recommendation That Collection
of Increase Be Restrained

The Missouri supreme court has under advisement the recommendation of Special Commissioner J. W. Walden that 45 fire companies be restrained from further collection of the 16½ percent rate increase in that state, and return to policyholders the excess.

Walden acted in connection with quo warranto proceedings brought by the attorney general against the 204 companies that are collecting the higher rates, but in his latest report he did not include 137 companies, parties to federal court injunctions pending before a special federal tribunal at Kansas City.

This case and two other actions in connection with the rate litigation were argued and submitted before the supreme court at the same time.

Involved in these disputes is a restitution order entered by Circuit Judge Sevier in Cole county circuit court May 27, 1933, technically awarding a judgment against 143 companies for \$13,087,619 in excess premiums collected from Nov. 15, 1922, to Aug. 9, 1929, and \$5,586,177 interest up to May 2, 1933, less any refunds under the old 10 percent reduction case the companies may have made. Also involved is the circuit court injunction under which 74 companies involved in that litigation were authorized to collect the 16½ percent increase after June 1, 1930.

Walker-Curtis Agency in Change and Office Move

The Walker-Curtis Insurance Agency has succeeded the former Transportation Agency, and has moved from the Walltower to the 916 Walnut street building, Kansas City, Mo. The Transportation agency was formed by J. R. Walker Jan. 1, when he resigned after being manager of the Fort Dearborn there for three years. Mr. Walker recently took into partnership Clarence Curtis, for ten years assistant Missouri state auditor.

The new agency represents Lloyds of America as western branch office, and has general agency contracts with the Eureka Security Fire, and with the Madison for bus, truck and taxicab insurance.

Chester Ford Heads Committee

Chester E. Ford of Des Moines has been reappointed as chairman of the legislative committee of the Iowa Association of Insurance Agents. His associates are John Tumely, Keokuk; E. L. Ruhl, Davenport; F. H. Seger, Waterloo; James Bracken, Mason City; J. E. Hull, Ottumwa; E. H. Mulock, Des Moines; Frank Hendricks, Council Bluffs; Tom Kelley, Fort Dodge, and Fred W. Colvin, Sioux City.

Purcells Open Agency

Former officers of the Central States Mutual Casualty of Indianapolis, G. J. Purcell, president; D. M. Purcell, secretary and treasurer and W. F. Purcell, vice-president, have organized the Acme Insurance Service, 605 Inland building, Indianapolis, to handle a general line of insurance in Marion county. The Central States Mutual Casualty was re-insured in January. The Purcells have an agency of some 50 producers.

Report on East Cleveland

National Board Tells About Some of the Fire Fighting Features of the Suburb

The National Board engineers in reporting on East Cleveland, O., say that the water supply comes from a reliable source. There are insufficient quantities available in most important districts because of the capacity of supply mains, connections and weak distribution system. The fire department is weak but there is powerful outside aid available from Cleveland. The fire alarm system is inadequate and unreliable.

The engineers say that in the principal mercantile district, serious group fires are probable. The probability of spreading fires is offset by the Cleveland outside aid.

New Plan for Premium Tax

DES MOINES, Oct. 4.—Recommendation that the state tax on fire insurance premiums, amounting to approximately \$250,000 a year, be devoted to fire pension and fire fighting funds of municipalities was made to the interim legislative committee on governmental reorganization by C. A. Crosser, secretary of the Des Moines Bureau of Municipal Research; William Hottel, secretary of the Iowa Association of Fire Fighters, and E. V. Lindquist, representing the legislative committee of the Iowa Firemen's Association.

In cities of the first class, over 15,000 population, the premium tax would be turned into the pension fund, while in smaller cities and towns with organized fire departments it would be used for operation and maintenance.

Ellis Is Kansas City President

KANSAS CITY, KAN., Oct. 4.—The Kansas City Insurors reelected F. S. Ellis, president; G. E. Way, vice-president; Cheney Prouty, Jr., secretary-treasurer. The board is sponsoring an auto safety campaign using colored posters.

Western Adjustment Changes

KANSAS CITY, MO., Oct. 4.—The Western Adjustment has made several changes. G. W. Barnes, formerly at Wichita, has been transferred to Kansas City, and Paul Phillips to Kansas City from Norton, Kan. John Boucher and George Fisher of Kansas City have been transferred to Wichita.

Ohio Secretary Not Named

COLUMBUS, O., Oct. 4.—When the board of trustees of the Ohio Association of Insurance Agents met here last week, it was expected that they would select a salaried secretary but because of the large number of candidates for the post a committee composed of F. P. O'Connor, Lima; A. W. Kette, Marion, and H. S. Martin, Toledo, was named to canvass the list and make recommendations.

Innovation Seen in Ohio

An innovation in the matter of enlisting the cooperating of the school children during Fire Prevention Week has been adopted by A. E. Bulau, chairman of the contest committee of the National Fire Waste Council for Ohio. About the middle of September he communicated with the numerous local chambers in Ohio entered in the inter-chamber fire

Will Preside



FRED H. JANNASCH

Fred H. Jannasch of Gary, Ind., president Indiana Association of Insurance Agents, will preside over the annual meeting to be held in his home city next Monday.

waste contest, asking their cooperation in distributing home inspection blanks to the teachers of the various schools in their respective communities, to be passed out to the children. When completed, the forms are to be collected by the local chamber during Fire Prevention Week and forwarded to the Ohio Fire Prevention Association, for review and tabulation.

Davis Is Sioux City President

SIOUX CITY, IA., Oct. 4.—The Sioux City Fire & Casualty Underwriters has elected the following officers: President, A. M. Davis; vice-president, R. S. Andrews; secretary-treasurer, R. P. Brown; executive committeemen, F. W. Colvin and J. W. Wooldridge. Mr. Wooldridge is the retiring president.

Columbus Society Elects

COLUMBUS, Oct. 4.—The Columbus Insurance Society has elected F. E. Kirkpatrick, president; I. B. Lentz, vice-president; R. M. Knepper, secretary-counselor, and F. J. Macklin, treasurer.

Gerhardt Heads Neenah Agents

NEENAH, WIS., Oct. 4.—The organization of the Neenah Insurance Underwriters Association has been completed. C. F. Gerhardt has been elected president; H. R. Hanson, vice-president, and H. M. Brown, secretary-treasurer.

Flickinger Heads Loss Drive

W. E. Flickinger of the Richey-Flickinger-Barrett Co. has been appointed to head the committee in charge of Cleveland's fire prevention week activities. This city is making a drive to reduce its annual fire loss to a point under \$3,000,000. Mr. Flickinger has actively represented the insurance field in the Safety Council for several years.

Kansas Meeting Plans Complete

Plans for the annual convention of the Kansas Association of Insurance Agents at Hutchinson Oct. 19-20 are now completed. Charles L. Gandy, Bir-

mingham, president of the National Association of Insurance Agents, will speak. Others on the program are H. C. Wilbur, managers' consultant, Chicago; Commissioner Hobbs of Kansas; Rosse Case, Marion, member of the National association farm conference committee and past state president, and O. W. Wilson, Wichita chief of police. A golf tournament will be held Oct. 20, following a short breakfast conference and morning session for local board officers. The executive committee will meet and a get-together session will be held the evening preceding the convention opening.

Would Bar Bank Agents

ST. PAUL, Oct. 4.—Commissioner Brown has been requested by Dewey Johnson, Minneapolis, a member of the legislature, to cancel the licenses of all insurance agents who are in effect employees of banks and who are acting as agents of the bank in their insurance activities.

Mr. Johnson charges in a letter to Commissioner Brown that the competition of the banks has made it difficult for the average insurance agent to make a living at his business. He contends that banks, through their financial hold on customers, practically compel them to place their insurance through the bank agencies.

New Janesville School Plan

JANESVILLE, WIS., Oct. 4.—The Janesville board of education has adopted a new insurance plan by which the 80 separate fire and tornado policies covering school property have been reduced to 30, and the insurance placed through a committee of agents rather than through the individual agents. The agents' committee will supervise the details of coverage and coinsurance, subject to approval of the board, and prorate the commissions.

New Agency in Lakewood

The Lakewood Insurance Agency, Lakewood, O., has been formed by A. S. Martin and W. H. Steinkamp. Mr. Martin was formerly assistant manager of the Fidelity & Casualty in Cleveland for 14 years. Mr. Steinkamp was formerly cashier of the Guardian Trust Company's Lakewood branch.

MIDDLE WEST NOTES

C. F. Hough, prominent local agent at Mulvane, Kan., and cashier of the Mulvane State Bank, died at the age of 60.

The executive committee of the **Ohio State Bar Association** has decided to appoint a committee to consider the codification of Ohio insurance laws.

The **Kansas Fire Prevention Association** will inspect Salina Oct. 12. Gen. F. S. Dickson, assistant general counsel National Board, will be the chief speaker at a luncheon.

E. F. Walt will continue the general agency at Lincoln, Neb., recently started by himself and his father, the late Fred E. Walt.

T. H. Maenner of Omaha has incorporated his agency as T. H. Maenner, Inc. and has associated with him M. M. Robertson, L. E. Harbert and Gladys R. Meanner.

C. F. Rouiller, Milwaukee insurance attorney, died of peritonitis following an appendectomy. He was chairman of the Wisconsin Bar Association's committee on automobile insurance.

The Dabbs Insurance Agency, Independence, Kan., has been sold to the **Gillmore Brothers** agency, the oldest in Independence, and one of the oldest in Kansas, having been established in 1875.

Alpha Bales has purchased the interest of Fred Swisher in the Swisher & Bales Agency, Pratt, Kan., and is now operating as the Bales Agency. Both have been active in the Pratt Association of Insurance Agents and the state association.

LOYALTY GROUP

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d Vice Pres.
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

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HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d Vice Pres.
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Organized 1870

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IN THE SOUTHERN STATES

Report Made on Nashville

National Board Engineers Tell About the Fire Fighting Facilities of the City

The National Board engineers in making a report on Nashville find the water supply comes from an ample source. The supply works are fairly reliable. There are sufficient quantities for fire protection available in most of the congested value districts but inadequate in some other sections. The fire department is effective and the fire alarm system is generally adequate and reliable. The engineers say that in the congested value district, unprotected vertical openings, exposed windows and serious mutual exposures make serious group fires probable.

The fire fighting facilities are mainly effective and a considerable number of the more hazardous buildings are sprinklered. Because of the narrow streets, fires involving groups or blocks are probable but should be prevented from in-

volving any considerable portion of the district.

In the manufacturing and minor mercantile districts, there is considerable sprinkler protection, but serious local fires are probable particularly where private protection is lacking and the water supply deficient.

Mississippi Rates Justified

Only Hope for Improvement Rests on Effort to Rectify Conditions, State Commission Reports

JACKSON, MISS., Oct. 4.—The annual report of the Mississippi insurance commission, just released, praises the Mississippi State Rating Bureau, organized nine years ago as "one of the most efficient of its kind in the United States."

The report goes on to say that there is "evidence that Mississippi rates are not too high, burning ratio considered. While other southern states have a number of home companies successfully operating, no Mississippi fire insurance

company has ever proved a profitable venture. In view of these facts and the continued unprofitable loss ratios, the commission considers it unwise to resort to the political expediency of arbitrary measures which might deprive the insuring public of present facilities."

The commission goes on record as saying that an expectancy of lower rates is not justified and "the only hope in improvement in fire insurance conditions lies in a united effort to reduce fires and to rectify or cure conditions which create discriminations and promote fires."

Georgians O. K. Code; Other Important Topics Discussed

MACON, GA., Oct. 4.—The executive committee of the Georgia Association of Insurance Agents at a meeting here went on record as endorsing the blanket NRA code and favored the adoption of an insurance code for agents, for companies and for relations between agents and companies. Scott Nixon was authorized to edit and issue a monthly paper which will be sent to the membership. Action on the question of a full-time secretary was considered inadvisable at this time.

After much discussion the committee voted to take no action on the automatic cancellation question, on which it apparently was hopelessly divided. A request was made that the Globe & Rutgers be liquidated, so that the agents' interest would be better protected. The committee requested that the National Board send on another inspector to Georgia to aid the fire marshal in investigating arson losses. On the 60-day loss payment clause the committee felt that on account of competitive reasons loss checks should not be held up any longer.

President H. C. Arnall was selected as the association's official delegate to the National association convention in Chicago.

Board Forms Credit Exchange

OKLAHOMA CITY, Oct. 4.—In an effort to eliminate credit evils, the Associated Fire & Casualty Underwriters are establishing a credit exchange to be operated under management of Secretary M. M. Keys at association headquarters. Records will be kept of unpaid earned premiums on policies cancelled for non-payment, charged off and bad accounts, and slow and nuisance accounts, which will be available for members. A weekly confidential bulletin will be published.

The plan includes installation of a collection bureau to be operated by the association.

Place Alabama State Insurance

MONTGOMERY, ALA., Oct. 4.—The state of Alabama has placed \$7,181,005 of fire insurance on state property with stock fire companies, and decided to continue to carry approximately \$20,000,000 of fire and casualty insurance with the state fund. The excess insurance was placed with 46 agents.

Approve Supplemental Contract

A supplemental contract submitted by the Western Millers Mutual and twelve other mill mutuals covering smoke damage caused by smoke from stationary heating plants using oil for fuel has been approved by the Virginia corporation commission.

Nashville Women's Club Meets

The Woman's Insurance Club of Nashville, under the direction of Mrs. Florence Lawler, held its first meeting of the season with an excellent attendance. Plans were discussed for the year's program and from all indications the club will accomplish some good work during the coming year.

H. H. Carson of the local agency of Davis, Bradford & Carson talked on

insurance conditions in general, stressing the fact that valuable assistance can be rendered by the inside office workers toward enlightening assureds on how to purchase insurance to insure full protection in sound companies.

Oil Situation Stirred Up

OKLAHOMA CITY, Oct. 4.—With two inspectors of the city fire prevention bureau credited with 23 arrests and 22 convictions in police court for alleged violations of the oil drilling ordinance, and the possibility of litigation in several courts to halt drilling, Oklahoma City is now in the midst of a stubbornly contested fight to restrict oil operations. Completion of the Russell well at Prospect avenue and Northeast 26th street brought on the present furor.

Faubion With Floyd West

H. F. Faubion has taken charge of the inland marine department of the general agency of Floyd West & Co. at Dallas. He is thoroughly equipped to handle this work. He has had home office, New York City and New England and Pacific Coast experience for one of the leading companies. Floyd West & Co. intend to devote considerable attention to this department.

Texas General Agencies Named

Sloan & Co., San Antonio, has been appointed general agent for the Southern Fire of North Carolina for south and Southwest Texas.

The Texas General Agency has been appointed Texas representative of the Birmingham Fire of Pittsburgh.

Russellville, Ark., Organized

The Russellville Insurance Exchange, Russellville, Ark., has been organized with the following officers: H. D. Coffee, president; Ann Hoffman, vice-president; Brooks Hamilton, secretary-treasurer. The Exchange represents all the stock agencies in the town, which are as follows:

H. D. Coffee Agency, Hamilton Insurance Agency, Ann Hoffman Agency, Will D. Vance, Wright-Webb Agency, and City Insurance Agency.

Fidelity & Columbia Licensed

The Fidelity & Columbia Insurance Co., subsidiary of the Fidelity & Columbia Trust Co., Louisville, has received its license from the Kentucky department. Capital is \$50,000; surplus, \$25,000.

Southern Notes

George Shaw, former officer of the Bank of Conway, has purchased the H. D. Russell agency at Conway, Ark.

E. C. Anderson, Chattanooga, Tenn., has sold his agency to Laurell Thatcher, formerly with the Sol Moyses agency and later with the Fidelity Trust Co., who is arranging to return to the Sol Moyses agency, taking this business with him.

News of Pacific Coast States

Supervisory Men Gathering

Confer on Some of the Questions Coming Up in the Rocky Mountain Field

COLORADO SPRINGS, Oct. 4.—The Rocky Mountain supervisory committee is meeting here this week, going over the affairs of the Rocky Mountain Fire Underwriters Association and the Mountain States Inspection Bureau. W. N. Achenbach of Chicago, manager of the Aetna, is chairman. His conferees in the Western Underwriters Association are W. D. Williams, western manager, Security of New Haven; E. A. Henne,

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manager America Fore; W. B. Flickinger, assistant manager North America. From the Pacific Coast the members are A. T. Bailey, North British & Mercantile; W. O. Wayman, National Fire of Hartford, and Vice-president E. T. Cairns, Fireman's Fund.

Word "Suffered" Construed in California Decision

Action to recover treble damages for the loss of a building and its contents by reason of a fire which defendant started on his own property and permitted to extend to plaintiff's property. Held that the term "suffered," as used in section 3346a of the civil code and section 3344 of the political code, which make a person liable for treble damages for negligently suffering any fire to extend beyond his own land, means to allow, admit or to permit, and implies an approval or acquiescence in an act and more than nonresistance. There was no merit in the contention that the legal basis for such an action implies a demand for proof of more than the mere disregard or due care and that it arises solely under the provisions of the forestry act. The proof of negligence alone was sufficient to warrant the imposition of treble damages, it being a question for the trial court to determine whether the case warranted a recovery of treble damages under section 3346a of the civil code and section 3344 of the political code, or of actual damages under general provisions of law. Osborne et al. v. Winter. (Calif. Dist. Ct. of Appeals, 2nd App. Dist.)

Hear Pueblo Appeal Against Change in Class, Rate Raise

DENVER, Oct. 4.—Clarence Goldsmith of Chicago, assistant chief engineer of the National Board; W. J. Kulp, manager, and L. A. Barley, chief engineer of the Mountain States Inspection Bureau, Denver, listened to an appeal by city officials of Pueblo, Colo., to prevent the city's change to class 6, with consequent rate advances. For some time the city has been in class 4, but a recent inspection by National Board engineers indicated that unless certain improvements were made in the fire department it would be demoted to class 6.

At the meeting, which was attended by the city commissioners, city officials, and the insurance committee of the chamber of commerce, it was indicated the city is not now in a position, financially, to qualify for class 4. It was made reasonably certain, however, that sufficient improvements will be made in the near future to qualify the city for class 5, and the city officials requested that posting of advanced rates be delayed. Mr. Kulp will present the subject for review by the managing committee at its annual meeting Oct. 5.

General of Seattle Group to Have Convention at Boise

The eastern Oregon and southern Idaho agents of the General of Seattle, First National and General Casualty will attend a regional convention at Boise, Ida., Oct. 7. The morning session will be devoted entirely to automobile, miscellaneous casualty and surety problems, while the afternoon will be divided to take care of problems of the fire and allied lines, salesmanship, and other things of interest.

The convention will be in charge of O. M. Thurber, manager of the public relations department. Others in that department who will be present to assist the agents will be Charles Parker, William Hooper and Reese Lewis, fire prevention engineers, and R. L. Scott.

Others from home office who will be on hand will be Arnold Darfield, assistant to the president; W. L. McAllis-

ter, assistant secretary and manager of the General Casualty, and Ben C. Sturges, underwriting manager of the casualty company. J. C. Adams, field man for western Oregon and southern Idaho, will preside at all sessions.

May Increase Seattle Rates

SEATTLE, WASH., Oct. 4.—J. K. Woolley, manager Washington Surveying & Rating Bureau has informed the city council that rates will be increased 25 percent in the Mt. Baker, North Ballard, West Seattle, and Laurelhurst districts if fire stations recently closed in these districts are not reopened. Mr. Woolley also said the increase would become effective in the Magnolia Bluff district unless a new station is opened there and that waterfront rates would be reduced 8 to 10 percent if the fire boat Duwamish is put back into service.

Informed of the scheduled raise in rates Commissioner W. A. Sullivan stated he would not permit them. The bureau defending the rate increases pointed out that protection is inadequate in the residential districts and that fire runs in some instances are as long as five to seven minutes.

Again reiterating that he did not favor reductions in present fire rates, Commissioner Sullivan declared here that he had notified the companies that he desires a 15 percent reduction in automobile rates.

Discuss Code in Utah

SALT LAKE CITY, Oct. 4.—The Utah Association of Insurance Agents will hold its annual meeting at the Hotel Utah here Oct. 28. Officials of the Pacific Board and company managers from San Francisco are expected, along with a number of special agents. The proposed code for insurance men may occupy a good part of the time, it is announced.

Carlisle in New Post

SAN FRANCISCO, Oct. 4.—F. W. Carlisle, who resigned as manager of the brokerage department of Henley & Scott, San Francisco general agency, has affiliated with Marsh & McLennan-J. B. F. Davis & Son, Ltd., of San Francisco.

Brokers Hear NRA Discussion

At the October meeting of the Insurance Brokers Exchange of San Francisco, Paul Eliel of the NRA discussed its program and its relation to the insurance business.

Wills Is Blue Goose Speaker

SAN FRANCISCO, Oct. 4.—B. G. Wills, vice-president Firemans Fund Indemnity, spoke Monday at the San Francisco Blue Goose luncheon. Cyrus K. Drew, editor "Western Underwriter," presided. Mr. Wills discussed "The NRA and the Insurance Business."

Los Angeles Well Represented

LOS ANGELES, Oct. 4.—Los Angeles will be represented at the annual convention of the National Association of Insurance Agents in Chicago by W. H. Menn, president California Association of Insurance Agents; Eugene Battles, former president of that association; V. C. Bogy, president, and H. M. McKnight, vice-president Los Angeles Insurance Exchange. Percy H. Goodwin, former president of the National association, and D. B. Goldsmith, both of San Diego, will join them in Chicago.

California Meeting Plans

LOS ANGELES, Oct. 4.—The annual meeting of the California Association of Insurance Agents in Pasadena, Nov. 8-10, will open with a golf tournament and a stag dinner. The convention proper will start Nov. 9 with "Business Development" as the principal subject for discussion. There will be two group sessions, one for agents

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Statement June 30, 1933

CAPITAL	\$1,500,000.00
PREMIUM RESERVE	1,232,814.86
OTHER LIABILITIES	290,610.62
CONTINGENCY RESERVE	764,275.92
NET SURPLUS	2,318,470.98
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the loss of a larger amount of business.

Support Oakland Drive

SAN FRANCISCO, Oct. 4.—As a result of the movement instituted by the Oakland Association of Insurance Agents to stop direct writing by salaried employees of insurance company offices in San Francisco, support has been pledged by 85 fire and casualty offices.

Eastern States Activities

Turner Reelected as Head of Hudson County Agents

JERSEY CITY, Oct. 4.—At the annual meeting here of the Underwriters Association of Hudson county W. F. Turner, president of Van Houten & Sherwood of Jersey City, was re-elected president. Mrs. James Nolan was elected vice-president and H. B. Nelson, Jr., was reelected secretary-treasurer.

The executive committee includes Charles Cole, Jersey City; George Steljes, Hoboken; Lyman Johnson, Bayonne; Mrs. Amelio Marino, Union City, and William Bremmer, North Hudson.

President Turner urged co-operation with the Hudson county safety council in its drive to reduce automobile accidents. He reported a movement to have all agents close their offices all day on Saturday in cooperation with the NRA movement.

Boston Insurance Lectures

BOSTON, Oct. 4.—The Insurance Library Association courses on fire insurance will begin early in November. More time will be given to rating than in former years. David McInnes of the Boston Board will give the lectures on the universal mercantile system and H. P. Forbes, special agent North America, will lecture on the Dean system.

There will be six lectures on automatic sprinklers by C. W. Mowry of

the Associated Factory Mutuals and ten lectures on fire protection and fire prevention. A course of lectures on inland marine will be given if 50 or more enroll.

Capital Reduction of the Eureka-Security Announced

Reduction in capital stock of the Eureka Security Fire & Marine of Cincinnati from \$1,000,000 to \$500,000 by changing the par value from \$10 to \$5 per share is announced by President B. G. Dawes, Jr. The funds thus released are being transferred to surplus. Mr. Dawes states the change will provide greater flexibility to the company's operations.

The new statement, giving weight to the capital reduction, on the market value basis as of July 1, 1933, shows assets \$3,304,418, net surplus \$890,983 and capital \$500,000.

In its mid-year statement the company reported cash \$154,176, U. S. government bonds \$48,326, other bonds \$1,286,322, stocks \$964,925, mortgage loans \$29,239, premiums in course of collection \$322,965, real estate \$25,567 and premium reserve \$1,587,839.

Agents Get Trip to Fair

Some 20 agents of the Farmers Auto of Pekin, Ill., who had made a certain quota in premium written, together with their wives were rewarded with a trip to the Century of Progress in Chicago by the company. Paul E. Jack, general manager, was in charge of the party. Two buses were chartered for the trip.

Tighten on Lumber Risks

Because of heavy losses suffered in lumber mills throughout Canada during the past year, Canadian companies, the New York "Journal of Commerce" reports, will sharply curtail writing the class henceforward. Those accepting the business will do so at increased rates.

Sommers to Head for Coast

Paul B. Sommers, vice-president of the American of Newark, plans leaving on a five weeks' agency trip to the west coast on Oct. 7.

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October 5, 1933

CASUALTY AND SURETY SECTION

Page Twenty-three

Rate Increase of 9% in Wisconsin

Mortensen Entertains Application
for New Compensation Schedule Effective Nov. 1

REJECTS \$10 CONSTANT

Continuance of Emergency Loading Disapproved—Reclassification of Industries Held Inopportune

MADISON, WIS., Oct. 4.—Commissioner H. J. Mortensen has announced that he will entertain an application for an increase of 9 percent in Wisconsin compensation rates to become effective Nov. 1. An application for continuance of the emergency loading of 4.2 percent was disapproved, as was also the continuance of the expense constant of \$10. The commissioner also disapproved the request for reclassifying all industries into three groups, and the application "that the average indemnity rate level be pitched to the level of the loss ratio for 1931 policy year, and that the medical rate level be projected to the expected loss ratio for the year 1934." He approved the application for continuing the management expense loading at 38 percent.

Recognizes Unfavorable Experience

Commissioner Mortensen's decision is an answer to the companies' petition for an increase of 21.3 percent in compensation rates as of Oct. 1. Mr. Mortensen said he recognized the companies' unfavorable experience due to the decline in payrolls and the relative increase in losses due to diseases of occupation and other factors. Employers, however, object to the proposed increase on the basis that business is reviving and that wage levels are increasing which will in turn increase payroll totals. Employers also contended the NRA program has not had time to fully manifest its influence upon industry and that increases in rates should be withheld at present.

Mr. Mortensen says he hesitates to grant any increase in rates which will result in added expense to industry, but he cannot ignore the fact that the compensation premium income of companies at present rates is inadequate to meet prospective losses and expenses.

NRA Results Not Enough

In answer to the contentions of the employers, Mr. Mortensen said that whereas there has been an increase in premium income since the inauguration of the NRA, the increase has not approached the figures that would justify a continuance of present rates in anticipation of the complete absorption of the underwriting losses now being carried by the compensation companies. In calling attention to the necessity for increasing rates, Mr. Mortensen

(CONTINUED ON PAGE 30)

Casualty Insurance Talk That Attracts Interest

Casualty officials undoubtedly are impressed with the observations that Superintendent Van Schaick of New York made at the White Sulphur Springs convention in referring to workmen's compensation insurance. Mr. Van Schaick said that company officials are too prone to look to the solution of workmen's compensation through the rate route. He declared that it is not so much a question of higher rates as it is correcting other phases of the business. If proposed increases in rates are turned down by the state he asserted that the companies then place the whole responsibility on the authorities without endeavoring to analyze the situation as they should and ascertain what can be done to relieve the pressure.

Workmen's Compensation This Year

This year the workmen's compensation experience is running about true to form. In other words, it is still being conducted at a loss. Last year the workmen's compensation loss ratio for stock companies was 83.3 percent and for the mutuals 77 percent. The mutuals have an advantage, especially those that do not operate through agencies because they can select their business and are not under obligations to agents. Stock companies adopt the agency system and hence cannot be so selective. They are general writers of business and cannot therefore be as rigid in their selection as the mutuals. The mutuals of course have an edge so far as acquisition cost is concerned. But take compensation as a whole and it is in a rather bad way.

Rate Factor Is Important

Some executives feel that the solution of the problem, at least in most part, must be through higher rates because a great many of the elements in the premium are fixed. The stock companies could make a saving by cutting down commissions. However, if the stipend earned by local agents gets much lower they cannot give the service. Some companies are very anxious to regard workmen's compensation in the same light that the fire companies considered the oil business, sprinklered risks and other highly competitive classes which got into the unprofitable group. To solve this they formed a syndicate or pool, each company taking a percentage. They did not allow the agents the same commission that they did when the agents handled the business direct because all the service was done through the syndicate.

Turned to Profitable Classes

It must be acknowledged that these classes of business were turned from unprofitable to profitable through special treatment that could be given by the syndicate method. Whether this can be done in a practical way with workmen's compensation might be a mooted question. The executives who feel that some action of this kind should be taken say that it is time to try it at least on risks that carry a premium above a certain amount. Just how

much longer companies will be content to continue "in the red" every year remains to be seen.

* * *

AUTOMOBILE EXPERIENCE IMPROVES

During the last few months the casualty companies report a better experience on their automobile business. This may be accounted for by the influence of a number of factors. In the first place, thousands of owners of automobiles have had to cut off their insurance because they could not pay the premium. Those that are able to pay for their insurance probably belong in the higher class so far as incomes are concerned and therefore are considered more desirable risks. They are not so prone to impose on companies and make claims which are not legitimate. In other words, the moral hazard has been reduced. Probably people are more careful in their driving and are not taking trips so often, that is, they are not exposing their cars to hazards to such a degree as was the case when money was easier. It is interesting to see how sharply the automobile claim ratio fell when the moratorium was declared. People then did not have enough money to buy gasoline or they felt they had to husband their resources and hence they traveled by street car or by other means and left their automobiles in the garages.

* * *

ATTORNEYS ARE ACTIVE

Claim men appreciate the fact that in these times of depression there are all sorts of improvised excuses made to get money. Automobile drivers are held accountable for accidents when they were not liable at all. It was only during the last year or so that adjusters were able to make reasonable compromises where the liability was questionable. It takes much discrimination and ingenuity to reach a correct conclusion as to the liability of a policyholder, especially when there are so many attorneys that are grabbing at straws and endeavoring to get money out of companies. Adjusters, however, have now become better trained in getting at the bottom of facts and are quicker to discern improper claims.

* * *

COURTS ARE CRITICIZED

A company executive who is in close touch with the Chicago automobile situation declares that the main factor contributing to the unsatisfactory loss ratio in the city is the attitude of the courts. The judges in his opinion are too wobbly and too tender hearted, especially in dealing with boy thieves. This man has had considerable experience with an Italian boys' club in Chicago and finds that the youngsters are given to petty thieving early in life. Some of them today are stealing parts of cars and selling them for a ridiculously low price. The people who buy these parts from "fences" at a very low price know that they have been stolen. When a boy comes before a court for stealing the judge is prone to deal very

(CONTINUED ON PAGE 30)

Casualty Agents Hit Lloyds' Plan

Adopt Resolution Condemning Activity in Bankers Blanket Bond Field

CITED TO FEDERAL MEN

Nelson Reelected Head of Company Group at White Sulphur—Millikan Heads Agents

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NATIONAL ASSOCIATION OF CASUALTY & SURETY AGENTS

President—James R. Millikan, Cincinnati.
Vice-President—Wade Fetzer, Chicago.
Secretary-Treasurer—Charles H. Burras, Chicago.
Executive committee—T. E. Braniff, Oklahoma City, chairman; B. W. McCluer, Kansas City; J. F. Hickey, St. Louis; George D. Webb, Chicago; J. T. Harrison, New York City; G. E. Charlton, Lawrence, Kan.; C. M. Bend, St. Paul; W. G. Wilson, Cleveland; J. H. Carney, Boston; A. E. Woodford, Hartford; H. H. Wadsworth, Syracuse, and C. A. Abramson, Omaha.

As usual, the most important action taken at the big casualty convention at White Sulphur Springs, W. Va., came out of the business session of the National Association of Casualty & Surety Agents on the final day of the session. The business meeting of the International Association of Casualty & Surety Underwriters is a more or less perfunctory affair.

The agents' association adopted a resolution directing Secretary Charles H. Burras of Chicago to communicate with Secretary of the Treasury Woodin and the banking officials of the various states protesting the use of bankers' blanket bonds issued at Lloyds.

This memorial was regarded as important, because it comes at a time when the question of London Lloyds' coverage in this country is being stirred up and federal and state legislation is being proposed to restrict the operations of unauthorized insurers.

W. G. Wilson of Cleveland, as chairman of the executive committee, brought the issue before the agents' organization. He said there has been widespread complaint about the soliciting of bankers'

(CONTINUED ON PAGE 30)

U. S. Attorney Says Public Indemnity Deal Fraudulent

N. J. DEPARTMENT ATTACKED

Suit Filed in Trenton Asks Federal Court Appoint Receiver, Restrain Transfer of Assets

TRENTON, N. J., Oct. 4.—Harlan Besson, United States district attorney, has asked the federal court here to appoint a receiver for the Public Indemnity and also to restrain Commissioner Kelly from disposing of any of its assets. The petition is filed on behalf of the government, with claims aggregating about \$438,076 against the company.

Mr. Besson recites that on Jan. 11, 1933, with the approval of the New Jersey department, the Public Indemnity entered into a reinsurance agreement with the International Reinsurance, under which the latter company received virtually all the assets of the Public Indemnity and assumed all obligations except criminal bail bonds. At that time, Mr. Besson alleges, the bonds totaled \$1,000,000, many of which have since been cancelled.

Securities Transfer Cited

His affidavit further states that among the assets transferred to the International were securities with par value of \$255,000 which the Public Indemnity had deposited with the New Jersey department and that the securities were delivered by Commissioner Kelly to the International, which in turn deposited with the commissioner an indemnity bond for the amount, secured by the General Indemnity, all of whose stock, it is alleged, was owned at the time by the International. The latter company was placed in the hands of a receiver April 19 and two days later Col. Kelly took over the affairs of the Public Indemnity.

Fraud Is Alleged

Mr. Besson further alleges that the turning over of the bond by the International Reinsurance to Commissioner Kelly and the receipt of the securities by the International Reinsurance from the commissioner constitutes a fraud on the complainant and the other creditors of the Public Indemnity. He also alleges that it constitutes a fraud on the federal courts in Illinois, New Jersey, New York and seven other states, which hold judgments against the Public Indemnity. He asks that the entire transaction consummated on Jan. 11 be declared fraudulent and set aside.

Mr. Besson alleges that the total assets of the company now in the hands of the New Jersey commissioner consist of a deposit of \$55,000 in securities and a reserve of deposit of the Public Indemnity, which consists of first mortgages on Florida real estate obtained by the M. & S. Agency of Newark, formerly headed by W. Eugene Roesch, which it is claimed has a face value of \$80,000 but of little actual value.

It is also contended that Deputy Commissioner Gough sent a telegram to 37 insurance commissioners advising them of the agreement between the two companies with the cooperation of the New Jersey department and that the International Reinsurance was quite able from a financial standpoint as well as management to take care of all obligations.

New Jersey Claim Men Meet

NEWARK, Oct. 4.—The first meeting of the season of the New Jersey Casualty & Utilities Claim Men's Protection Association is being held Thursday. Maj. W. P. Cavanaugh, claim manager of the National Bureau of Casualty & Surety Underwriters, will talk on the general claim situation in New Jersey and what the bureau is doing to curb it.

Jottings From White Sulphur

A total of 77 officials of member companies were on hand at the initial session of the joint gathering of the International Association of Casualty & Surety Underwriters and of the National Association of Casualty & Surety Agents, a larger number than was recorded for the gathering last year. As an offset, however, far fewer members of the latter organization were present, materially reducing the general attendance. As at each of the yearly meetings a number of new faces are noted; but other of the regulars fail to appear. Conspicuous in the latter connection this year were: President F. Highlands Burns, Maryland Casualty; A. Duncan Reid, president Globe Indemnity; R. Howard Bland, chairman United States Fidelity & Guaranty; Richard Deming, vice-president American Surety and J. G. Yost, assistant secretary Fidelity & Deposit.

Vincent Cullen, president of the National Surety, made his initial visit to the gathering, being accompanied by Vice-Presidents E. M. Allen and E. A. St. John and Production Manager S. F. Drake.

* * *

In addition to Superintendent G. S. Van Schaick of New York and Commissioner M. L. Brown of Massachusetts, both of whom formally addressed the convention, Col. H. P. Dunham, Connecticut commissioner, was present.

* * *

Decided interest was evinced in the report that W. B. Joyce intended re-entering the suretyship arena in the near future. To friends who recently visited with the colorful former president of the National Surety at his winter home in Beverly Hills, Cal., Mr. Joyce declared his faith in the future of the surety line and his determination again actively to engage in the business with which he was so long and so prominently identified, prior to his retirement some months ago. Should he carry out his declared purpose executives generally would welcome the move, asserting that when the redoubtable W. B. was in the saddle competing offices were forced to exert the greatest ingenuity to follow the pace he set, and as a consequence the volume of premium income was developed to a greater extent. Mr. Joyce is still recognized as the greatest business producer surety ranks ever developed.

* * *

After spending two days at the convention M. J. O'Brien, agency superintendent of the Fidelity & Casualty, left for points south, being scheduled to visit Atlanta, Chattanooga and other important centers.

* * *

As in former years C. H. Burras served as toastmaster at the joint banquet of the two associations, and announced the prize winners in the different golf contests. In such capacity he lived up to the reputation he had long previously enjoyed.

* * *

Spencer Welton, vice-president of the Massachusetts Bonding, reached White

Janitor Misses Goat But Receives \$2,000 Indemnity

A billygoat that followed his youthful master to school at Valparaiso, Neb., cost the Standard Accident \$2,000. The goat's persistence in trying to find out where his master had gone brought the janitor, S. M. Newby, to the scene. The goat made for Newby and he swung at it with a club. He missed the goat, but landed on his arm, inflicting injuries of a permanent character. The company paid him \$400 in weekly indemnities, and now has settled in full for \$2,000.

Sulphur Springs, direct from the Pacific Coast, along which he spent seven weeks, selecting new agencies for his company and stimulating established representatives.

* * *

The place of meeting for the 1934 joint convention will be determined when a committee of the two bodies meets in December. Whether, as was proposed, Bermuda be selected remains to be seen. At present it makes a strong appeal to many of the members. On the other hand, the popularity of White Sulphur Springs is unquestioned, those who make a practice of attending the gatherings year after year holding no other resort can quite equal it in all around attractiveness. Should the committee, however, conclude to hold the next meeting in Bermuda, it will mark a departure.

* * *

J. K. Walker of Moore, Case, Lyman & Hubbard, Chicago, was the winner of the famous Charles R. Miller golf trophy, he turning in the lowest score for the two days' play at White Sulphur. Mr. Walker's name is inscribed on the cup, which he keeps in his possession for a year. When, as and if the cup is won three times by one player, it goes into his permanent possession. Francis Blossom and George Blossom, Jr., of Chicago have each won the cup two years, but neither has competed since that time.

Charles H. Burras, the toastmaster and dispenser of prizes, had some fun at Mr. Walker's expense. He called Mr. Walker to the front to receive the trophy. Just as Mr. Walker reached out to take the cup, Mr. Burras withdrew it, saying that this was only for the winner to look at. Mr. Walker appeared crestfallen and Mr. Burras had another victim.

* * *

The weather, usually so invigorating, proved excessively warm this year, though not to a degree that discouraged the golfing element from enjoying the game, nor those participating in horse shoe throwing contests.

Case Brings Up Capacity of Wife to Sue Husband

Held that at common law neither husband nor wife had a cause of action against the other for injuries to his or her person. The question raised here is whether the Missouri married woman's act has changed the rule of the common law by giving to a wife the right to bring such an action. The rights of a wife are purely statutory and, comprehensive as is the married woman's act in effecting her emancipation from matrimonial bonds so far as her property rights and the right to contract with others and her husband is concerned, and to sue and be sued by him at law, and to sue alone in tort for injuries sustained by her through the negligence of others, there is no authority, express or implied, given to her in the act to sue him for a personal tort. While the husband's right to sue was a common law right, it had never been held to include the right to sue his wife for a personal tort. The right of the husband to sue his wife for a personal tort being non-existent at common law, there are stronger reasons why, in the absence of an express statute, it should be held that a wife has no such right of action against her husband. Willott v. Willott Mo. Sup. Ct.

Must Be Licensed in Minnesota

ST. PAUL, MINN., Oct. 4.—All motor truck operators in Minnesota must carry liability and property damage insurance in companies licensed in Minnesota. Such an order has been made by the state railroad and warehouse commission which has jurisdiction over trucks. The order will affect scores of trucks which are owned in other states but which regularly enter this state on business. Many of them carry their insurance in companies not licensed in Minnesota.

Michigan Insurance Men in Meeting on New State Law

CONFERENCE WITH OFFICIALS

Consider Administrative Set-up for Motorists' Financial Responsibility Act at Lansing Gathering

LANSING, MICH., Oct. 4.—Policies to be pursued by the department of state in administering Michigan's new motorists' financial responsibility act, effective Oct. 17, were discussed today by department officials and insurance men representing various classes of automobile carriers. The conference was called to go over the administrative setup with agents and company men, and to secure suggestions.

Officials Explain Procedure

O. S. Atwood, head motor vehicle division, and his assistant, L. R. Morony, who will be in direct charge of the new division, displayed forms devised after study of those use in other states with similar laws, and outlined general procedure of enforcement. It was agreed by state officials and insurance men that the state should not allow more than five days to pass after return of an unfulfilled judgment before taking up the driver's license and car plates of the judgment debtor.

If an insurer notified the department in writing that insurance had been applied for this process would be halted. However, until definite disposition of the application the law provides financial responsibility proof in the form of liability insurance, bond or cash shall be posted if a \$30 property damage judgment is unfulfilled, if personal injury or death judgment is not paid, or if a motorist is guilty of any major traffic law infraction.

Insurance Men Attending

Among insurance men present were: Charles Freese, president, and Kenneth Watkins, chairman education committee, Michigan Association of Insurance Agents; C. B. Smith, Lansing, former president, National Association of Insurance Agents; G. J. Lieber, Detroit, resident manager, Fidelity & Casualty; J. F. Horton, Detroit, Michigan manager, Aetna Life and affiliated companies; A. E. Spotke, manager, auto department, National Bureau of Casualty & Surety Underwriters; Otway Conrad, automobile department, Standard Accident, Detroit; H. J. Brown, counsel, Automobile Club of Michigan and its affiliated Detroit Automobile Inter-Insurance Exchange; P. J. Braun, Flint agent; Vern V. Moulton, president, Auto-Owners, Lansing; R. M. Wade, second deputy commissioner.

Prompt Settlements in Wisconsin

MADISON, WIS., Oct. 4.—Records in making prompt payments in workers' compensation cases in Wisconsin were broken by insurance companies in 1932, the state industrial commission reports. On the average first payments of compensation were made within three weeks after date of disability commenced in 73 percent of all claims settled in 1932.

Explain New Michigan Law

DETROIT, Oct. 4.—Prominent insurance agents and attorneys, coached on the essentials of the Michigan auto responsibility law, which goes into effect Oct. 16, have been speaking before luncheon clubs and other organizations the past ten days, explaining the law to the public under the supervision of Kenneth Watkins, chairman of the educational committee of the Michigan Association of Insurance Agents. These addresses will continue until the middle of October.

Broader Omnibus Clause Is Ordered

Action by Hobbs of Kansas Extends Auto Liability Coverage

FILE FORMS BY OCTOBER 20

Change in Phraseology Is Drastic—Damage Caused by Thieves May Be Covered

TOPEKA, KAN., Oct. 4.—Commissioner Hobbs of Kansas has called for abolition of the present omnibus clause in automobile public liability policies which limit coverage to persons "legally" or "lawfully" operating the vehicle, and substitution of a clause which is much broader, and, in the opinion of underwriters might pave the way for companies to be held liable for damage done by persons "legally responsible."

The change in phraseology is considered very drastic. As it is interpreted, liability of a person legally responsible for the car's operation might have to be assumed by the company on the risk even in case a thief took the car and caused damage to others. The present clause covers only against damage done by persons legally operating the car; in other words, with the assured's permission.

Number of Complaints

Commissioner Hobbs recites that there have been a number of complaints filed against companies which have denied liability on the grounds that the driver of the car was not operating it with legal authority. Mr. Hobbs believes the new clause will fix more exactly the liability of the companies. He feels that companies should not take refuge in legal technicalities. He says that the policyholders in such cases do not obtain the protection to which they are entitled, and which they thought they had purchased.

His letter, issued to all casualty companies operating in Kansas, states that some companies have been using clauses worded as follows: "While riding in or legally operating," "while riding in or lawfully operating," or "while operating with legal license." These phrases can be construed to the disadvantage of assureds, he rules, and should be omitted. The additional assureds' clause should read, he directs:

Clause to Be Used

"This policy shall apply in the same manner and under the same conditions as it applies to the named insured, to any person or persons while riding in or operating any of the said automobiles and to any person, firm or corporation (except in automobile garage, repair shop, automobile sales agency or service station or the agents or employees thereof) legally responsible for the operation thereof provided such use or operation is with the permission of the named insured, or, if the named insured is an individual, with the permission of an adult member of the insured's household other than chauffeur or domestic servant."

Commissioner Hobbs directs companies to file with the department by Oct. 20 the proper endorsement to be attached to automobile liability policies. The exact phraseology as indicated above is not required, but the same meaning and intent must be embodied.

The ruling, it is said, scarcely applies to companies which are members of the National Bureau of Casualty & Surety

(CONTINUED ON LAST PAGE)

Auto Rate Reduction to Get Volume Held Loss Solution

WEST VIRGINIA SEEKS CUT

Justice Says Decrease in Business Because of High Premiums Creates Unhealthy Situation

CHARLESTON, W. VA., Oct. 4.—Reduction in West Virginia automobile rates is sought by the state insurance department in a communication to company members of the National Bureau of Casualty & Surety Underwriters, although the insurance department has no supervisory power over automobile rates. Harlan Justice, deputy commissioner, states that because of the high rates most of the automobile insurance business is rapidly passing from the hands of the substantial carriers, thereby creating an extremely unwholesome situation. Due to a 74.6 percent loss ratio in 1931 rates were increased. In 1932 the loss ratio was 96 percent and an increase of 200 percent would be necessary to remedy the situation by the rate increase method, said Mr. Justice.

If this trend continues, there is no doubt that an unwholesome and unwarranted condition will prevail within the next two years. For this reason we think it is necessary that drastic reductions be made in bureau rates in order that the proper volume to which these companies are entitled will eventually be placed back on the books." In 1932 automobile premiums decreased \$445,000 for all companies, while non-bureau companies increased their premiums by \$82,256 and bureau companies' income declined \$527,000.

"It appears," said Mr. Justice, "that if substantial carriers were to reduce their premium charges to the point where their policies would be within the buying power range of a large responsible group of car owners, the bureau companies would regain at least a substantial volume of the business that has been taken away from them at a lower premium charged by less substantial carriers."

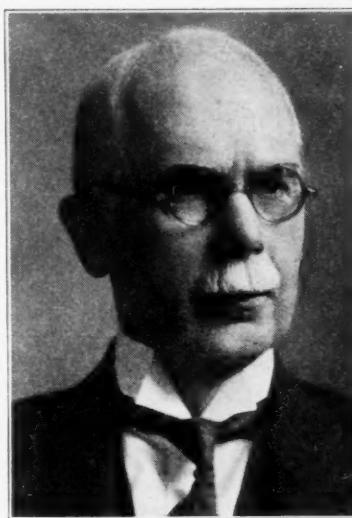
Vice-President George Coar of Globe Indemnity Dead

George F. Coar, vice-president of the Globe Indemnity at its head office in charge of liability underwriting, died Saturday from a heart attack. Mr. Coar had been ailing for some time but had been at his office almost every day, looking after the chief issues arising in the course of business. He was at his desk all last week. Mr. Coar was formerly western superintendent of the Globe Indemnity with headquarters at Chicago and was called to the home office as superintendent of the liability department. When Vice President W. J. McCaffrey was transferred to the Royal Indemnity as vice president, Mr. Coar was then elected to fill his place. Before going with the Globe Indemnity he was secretary of the old Pennsylvania Casualty, succeeding F. H. Kingsbury in that office. Both men later went to the Globe Indemnity. He was a very capable man and had a strong hold on the agency force.

Brother vs. Brother

OSHKOSH, WIS., Oct. 4.—A settlement was reached in a brother vs. brother suit in circuit court here, after considerable testimony had been taken. Under terms of the agreement, Henry Danke and the Ohio Casualty will pay G. M. Danke \$850 for damages suffered when automobiles driven by the two brothers collided at a Neenah street intersection. George originally sought \$4,500.

New President



J. R. MILLIKAN, Cincinnati

J. R. Millikan, the new president of the National Association of Casualty & Surety Agents, has been one of the wheel horses of the body since its formation in 1912. His entire business career has been spent in the casualty line. Mr. Millikan started with the Fidelity & Casualty in 1890 at Indianapolis as an agent. Later he connected with E. B. Tidd of Cleveland as special agent for the company in Indiana, Ohio and West Virginia. Mr. Tidd was general agent for the F. & C. in the central western field. He had seven or eight states. In 1893 Mr. Millikan moved to Cincinnati, acting as agent and doing some special work. Mr. Tidd died in 1903 and Mr. Millikan was appointed general agent at Cincinnati. He has been a member of the executive committee of the National Association of Casualty & Surety Agents for 12 or more years. He served as president of the Ohio Insurance Federation in 1928-1929.

Through good times and bad, Mr. Millikan managed to make a profit for his company each year, proving himself an underwriter as well as a business producer. He is of the old school of insurance men and stands squarely for the fair deal for both company and assured.

"Tom" Braniff Has Held Many Important Offices

Thomas E. Braniff of Oklahoma City, who becomes chairman of the executive committee of the National Association of Casualty & Surety Agents, has served as chairman before. Some years ago he was elected president and at the annual meeting last week he closed another period as president. He has been one of the able members of the conference committee. Therefore, he has gained an all-round experience in that organization.

Fails to Settle, Must Pay Excess

LINCOLN, NEB., Oct. 4.—Because the General Accident refused to settle a liability claim for \$1,800 when it had the chance, and the assured was stuck for \$1,500 above the policy limits when the damage suit came to trial, the excess verdict must be paid by the company, according to a judgment of the district court of Douglas county here. The company of course will appeal.

The argument of the General Accident is that it could not foresee that a jury would not believe the defendant's witnesses, or that the court in the damage suit case would rule against it on points of law. The defendant, of course, was the assured. The contention against the General was that it failed to make a full and complete investigation. A

Auto Fatalities Are Lower This Year

Upward Trend Started in June Indicates Mark of 29,000 in 1932 May Be Passed

ESTIMATE OF TRAVELERS

Approximately 20,000 Killed and 570,000 Injured in Nine Months, Company Reports

HARTFORD, Oct. 4.—Nearly 20,000 persons were killed and more than 570,000 injured in 523,000 automobile accidents the first nine months of this year, the Travelers estimates on the basis of detailed statistics received from state authorities.

Deaths the first nine months are nearly 4 percent less than in the same period last year, yet there were actual increases of nearly 7 percent in fatalities per accident, 2.5 percent in number of persons injured non-fatally per accident, and 2.6 percent in number of deaths and persons injured non-fatally per accident. This record is indicated despite a 5 percent decrease in number of motor vehicles registered in the first half of this year, and also a decrease in gasoline consumption during the first four months, since which time gasoline consumption has shown a gain.

Fatalities Showing Gain

Beginning in June, automobile accident fatalities have shown an increase of nearly 6 percent over the same period last year. Up to June deaths decreased 9 percent. On the basis of the trend in deaths which started in June, it is estimated that fatalities for the year as a whole very likely will exceed the record of 29,000 last year.

State reports show that fatalities increased 13.6 percent in the New England states, 13.3 percent in the mountain states and 6.5 percent in the west north central states. In all other geographical divisions automobile accident fatalities decreased as follows:

States Reporting Reductions

Middle Atlantic 6 percent; east north central 9.5 percent; east south central 9.6 percent; west south central 2.7 percent; south Atlantic 5.5 percent, and Pacific states, 2.7 per cent. Only Rhode Island in the New England states has shown a reduction in deaths. Reports from the Mountain states show reductions in Wyoming and Arizona. In the west north central states, only Minnesota and Iowa show fewer deaths this year.

With 43 states and the District of Columbia reporting, more fatalities are shown in Connecticut, Georgia, Idaho, Kansas, Maine, Massachusetts, Missouri, Montana, Nebraska, Nevada, New Hampshire, North Carolina, Oklahoma, Oregon, Pennsylvania, South Dakota and Vermont.

liability company depends more or less on the statements of the assured and his witnesses. The assured was Theodore Thorin of Omaha.

View New Minnesota Act

ST. PAUL, MINN., Oct. 4.—Methods of enforcing the new Minnesota drivers' license and financial responsibility law will be discussed at a meeting here Oct. 27, sponsored by the Minnesota State Automobile Association.

Commissioners Preparing Report on Compensation

SUBCOMMITTEE IS NOW BUSY

Data Submitted by Various Interests Being Analyzed for Report at State Officials' December Meet

NEW YORK, Oct. 4.—There is no challenge of the statement made by Superintendent Van Schaick of New York, in the course of his address before the gathering of the International Association of Casualty & Surety Underwriters at White Sulphur Springs, that compensation continues in a deplorable condition, and that a remedy, other than rate increases, must be found if companies are to continue furnishing this coverage.

When the National Convention of Insurance Commissioners met in Chicago last June, serious attention was devoted to the compensation line, the upshot of the conferences being that the National Bureau of Casualty & Surety Underwriters promised to submit a new plan for risk rating in time for its consideration by the compensation committee of the convention, the latter body in turn to report to the December gathering of the commissioners in this city. William Leslie, associate general manager of the National Bureau, has been at work on a new formula for several weeks, the understanding being that it will be completed in tentative form at least within a short time. Pending its submission to the committee of state officials, details of the proposed method will be kept confidential.

Trends Not Considered

One difficulty in present rating methods is that the figures are predicated upon the actual experience of policy years, companies not being allowed to project for revealed trends, the result being that rates are always 18 months behind actual loss records. It has been proposed from time to time that experience of calendar years, instead of policy years be taken, the latter bringing loss result data closer to the period of rating.

Following the conference of the commissioners' sub-committee on compensation last July, the National Bureau promised to submit a revised rating program within 60 days. Briefs dealing with the general subject have already been received by the sub-committee from C. W. Hobbs and General Manager W. F. Roebel of the National Council; Leon S. Senior, general manager Compensation Insurance Rating Board of New York; the National Association of Casualty & Surety Agents, and the brokers organization of New York.

Committee to Analyze Data

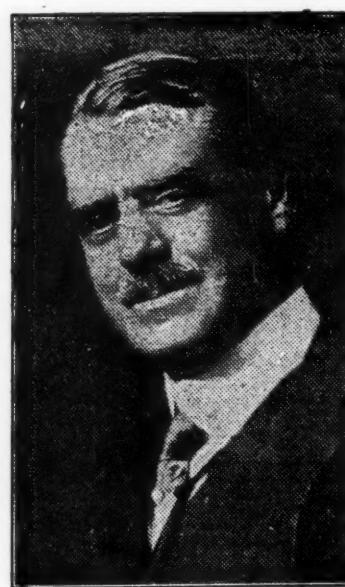
When the National Bureau presents the program for the stock companies, and the mutuals for carriers of that type the submitted data will be assembled and analyzed by the sub-committee, which will then offer a tentative report to the entire committee, the latter in turn turning the matter over to the convention at the mid-winter meeting.

Certain state officials feel many of the evils complained of in the compensation line are chargeable to misclassification of risks by some companies and the payment of excess commissions to favored field representatives by others.

Deny Union Indemnity Delay

NEW ORLEANS, Oct. 4.—Judge Provosty in civil district court has refused to grant a 30-day extension for filing claims against receivers of the Union Indemnity. The extension was sought by receivers of the International Reinsurance, on the ground that they will not have sufficient time to perfect and file all claims.

Plans Comeback



W. B. JOYCE

Reports that W. B. Joyce, who retired as directing head of the National Surety some months ago, is again to become active in the surety field, find confirmation in the following telegram sent by Mr. Joyce from his winter home in Beverly Hills, Cal., to THE NATIONAL UNDERWRITER: "Joyce coming back. I have just telegraphed Van Schaick my resignation. I contemplate engaging in business for myself in New York. Leaving here tonight (Oct. 4) and on arrival will make further announcement." Always a highly colorful figure, his prospective re-entry into the arena is creating a stir in insurance circles.

Mr. Joyce, who became chairman of the new National Surety when that company was launched, was given the title more or less as a courtesy and his resignation is not surprising.

MENTIONED FOR COMMISSIONER

SAN FRANCISCO, Oct. 4.—W. B. Joyce is being prominently mentioned for appointment as California insurance commissioner to succeed E. Forrest Mitchell. He is a close friend of Governor Rolph.

Meet Friday to Complete Plans for Iowa Federation

DES MOINES, Oct. 4.—Representatives of various Iowa insurance groups will convene here Friday to take the final steps toward organizing an Iowa Insurance Federation. John T. Hutchinson, secretary of the Insurance Federation of America, has spent several weeks in Iowa interesting insurance men in the new organization. Virtually all of the Des Moines insurance organizations have agreed to come into the federation by action taken in special meetings held in the past few weeks. The Des Moines Association of Life Underwriters has not yet acted on the proposal but is expected to join the other groups already in.

Following the meeting Friday a general meeting of the affiliated groups will be held the week of Oct. 16 to elect officers and put the machinery of the federation into operation. Iowa has heretofore had no such organization. One was attempted a number of years ago, but failed through lack of support.

Representatives from federations in surrounding states, such as Nebraska, Minnesota and Wisconsin, are expected to attend the meeting the week of Oct. 16.

Public Liability Policies Now Include the Officers

ARMSTRONG CRAWFORD'S VIEW

Great Lakes Casualty Official Calls Attention to New Wrinkle in Claims

President Armstrong Crawford of the Great Lakes Casualty of Detroit announces that all its public liability policies other than automobile insuring corporations will be construed to include personal liability of officers as officers of such corporation. Automobile policies contain the omnibus coverage clause which automatically extends coverage to corporate officers. President Crawford says:

"The practice of plaintiff attorneys endeavoring to have the damages for certain types of losses assessed directly against officers of corporations is new. Judging from past experience of similar startling procedures, this method of collection will undoubtedly grow by leaps and bounds. Corporate officers must expect legal action of this kind as claimants' attorneys become better acquainted with this new avenue of attack."

"Several weeks ago a suit was brought to our attention, and an investigation brought out the fact that the corporation itself was in financial difficulty. It appeared that a judgment against it would be almost uncollectible. However, two of the individual officers were enjoying financial stability and possessed considerable personal wealth. As a result, a joint action has been started against the corporation and the individual officers. No doubt there are numerous other small corporations suffering from financial embarrassment whose officers personally enjoy financial independence. Their interest should be properly safeguarded by the extension of the policy."

"The necessity of including personal liability of officers as officers of the corporation is, therefore, self-evident, and immediate action to protect their interests is imperative."

Get Chicago General Agency

Krafft-Kafka & Co. of Chicago have been appointed general agents of the Associated Indemnity of San Francisco. The firm is located in 1664 Insurance Exchange. It also has general agencies of the Standard Surety & Casualty and the Great Lakes Casualty of Detroit. The Associated Indemnity is in very fine financial condition. Its assets are \$3,719,788, loss reserve \$1,114,071, premium reserve \$966,320, capital \$500,000, net surplus \$805,846. It has cash \$408,132 and federal bonds \$252,905. Most of its other assets are in bonds. Vice-president Dempsey from the home office is in Chicago looking after the expansion of the company in the central west.

Many Assets to Bond Plan

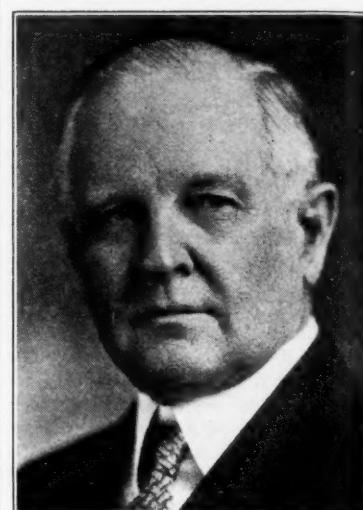
BALTIMORE, Oct. 4.—Of about \$64,000,000 of bonds secured by mortgages guaranteed by the United States Fidelity & Guaranty and Maryland Casualty, which are available for immediate deposit, \$33,179,900 have already been sent to the trustees, indicating assent to the refunding plans which were promulgated early in June, according to local bankers sponsoring the plan. Ultimately approximately \$84,000,000 of the bonds will be available for deposit, it was stated.

An independent committee composed of Pennsylvania owners of bonds secured by mortgages guaranteed by the two companies has recommended that all owners of such bonds promptly deposit them under the refunding plan.

Beha Speaker in Ohio

COLUMBUS, O., Oct. 4.—James A. Beha, general manager of the National

T. Leigh Thompson Quits Post at Retirement Age



T. LEIGH THOMPSON

T. Leigh Thompson, vice-president and manager of the casualty department of the National Life & Accident, having reached the company's retirement age, withdrew from active service Oct. 1. The announcement made by C. A. Craig, chairman of the board, stated that Mr. Thompson went to the company from the Tennessee insurance department in 1909 and had given 25 years of loyal and efficient service. The casualty department under his able management, although small at the beginning, grew in volume in proportion to the company's growth. He is a former president of the Health & Accident Underwriters Conference and has long been active in that organization.

"Mr. Thompson retires from active duties conscious of faithful performance of the duties and obligations his position carries, and with the appreciation and best wishes of all who have served with him, particularly the executives of the company," Mr. Craig said.

Active management of the casualty department will be taken over by Carlyle Beerman, who for years has been Mr. Thompson's assistant.

In his swan song, Mr. Thompson says anyone who wants to find him in future may do so at Wild Rose Farms, nestled in the hills of Marshall county, Lewisburg, Tenn., route No. 6. He expects to smoke a cob pipe, chat with his neighbors, ride horseback and attend to the management of the farm. The latchstring, Mr. Thompson assures, hangs on the outside.

Without definite plans for the future, he said he will "carry on," probably in the practice of law in Lewisburg, Tenn. He probably will remain in Nashville for a time.

Bureau of Casualty & Surety Underwriters, addressed the Ohio Association of Casualty & Surety Managers at its meeting here Tuesday. Superintendent C. T. Warner also spoke.

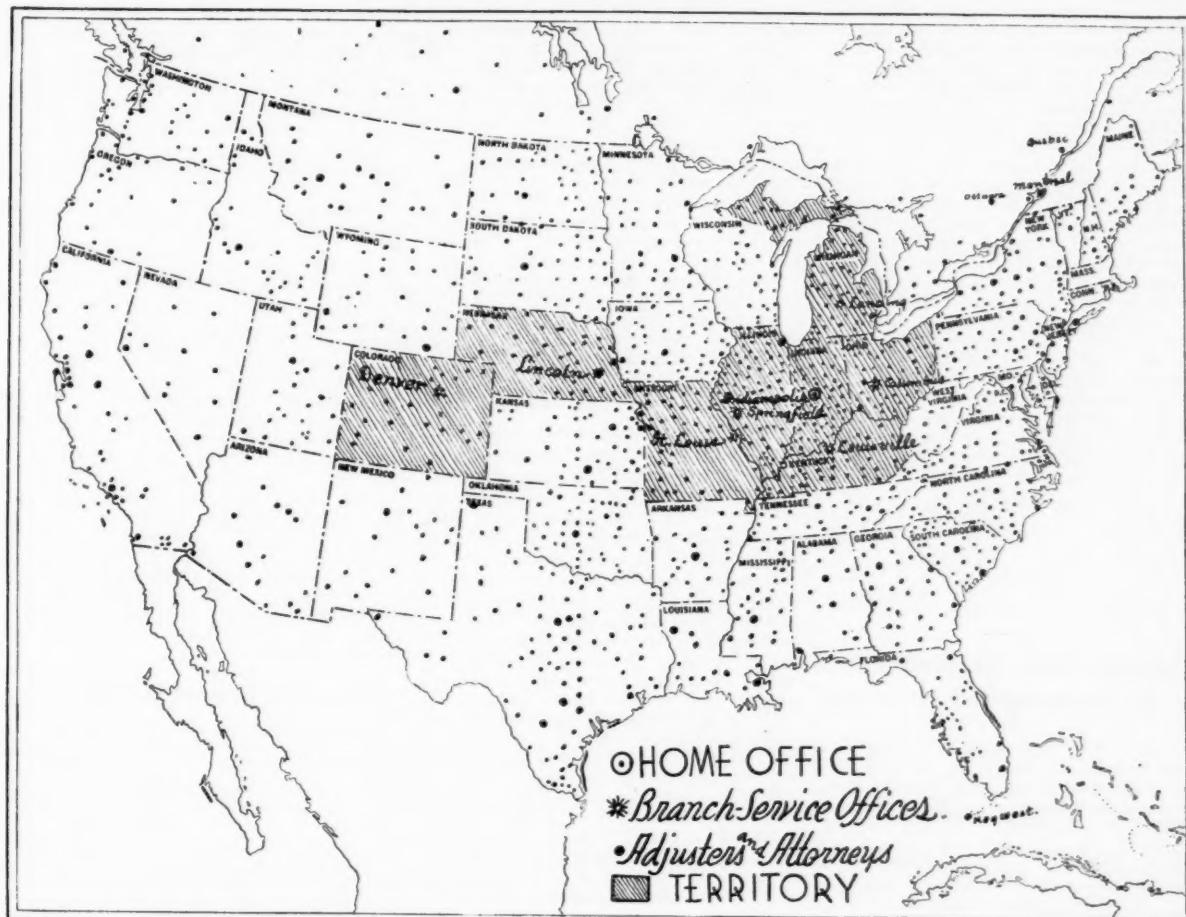
Capital City Surety Dividend

NEW YORK, Oct. 4.—Checks representing a first and final dividend of 100 percent are being mailed by Superintendent Van Schaick as liquidator to creditors of the Capital City Surety of this city, whose claims have been approved by the supreme court. Claims filed with the liquidator, exclusive of those of stockholders, aggregate \$1,943,976; of these \$344,678 have been allowed; \$163,489 suspended and \$1,433,809 disallowed. Full reserves have been set aside for suspended claims pending their final determination. Whatever surplus there may eventually be will be distributed among stockholders.

SERVICE—an *important* factor in automobile insurance



- American States through a national net-work of Best's Recommended Insurance Attorneys and Adjusters can give prompt and courteous service without delay to any policyholder having a claim in the United States or Canada.



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TWENTY states now have Financial Responsibility Laws and others have similar laws pending. The American States is in a position to supply and file the necessary evidence of responsibility in any of these twenty states or Canada.

American States Insurance Company
INDIANAPOLIS, INDIANA
AUTOMOBILE INSURANCE EXCLUSIVELY

ACCIDENT AND HEALTH FIELD

Has Aggregate Income Form

Pacific Mutual Brings Out Noncancelable Contract at Reduced Cost With Elimination Periods

The Pacific Mutual has brought out a new aggregate indemnity noncancelable income policy which is claimed to be geared to the times, giving broad protection at low cost. The policy is renewable to age 60. It provides for payment of a specified amount of disability indemnity, \$5,000, \$10,000 or \$15,000, in monthly instalments of \$100, \$200 or \$300. This indemnity is payable during the lifetime of policyholder if he is totally disabled and will be paid during any one period of disability or in the aggregate for all periods.

The contract pays for partial disability under liberal provisions, pays disability indemnity in monthly instalments during lifetime of policyholder and in case of loss of two limbs or sight of both eyes pays disability indemnity of monthly instalments of 25 percent as a monthly pension during lifetime of policyholder in case of loss of one limb.

It does not require house confinement. It pays for passenger air travel accident. After issue it cannot be canceled or restricted by rider or endorsement. The contract is issued to men between ages 20-50 on medical examination and with or without accidental death benefit. It is especially designed for business executives and professional men. For a small additional premium the monthly income for hospital confinement during elimination period may be secured. The elimination period may be one month, two or three. Rates for classes A and B with elimination period as indicated, at quinquennial ages are:

Age	Three Mos.	Two Mos.	One Mo.
20	\$25.50	\$33.50	\$48.50
25	28.00	36.00	51.00
30	30.50	39.50	54.50
35	35.00	43.50	59.50
40	40.50	49.50	67.00
45	48.00	58.50	78.00
50	58.50	70.00	91.00

Upholds Policy Requirement for Incorporated Hospitals

LINCOLN, NEB., Oct. 4.—The Nebraska supreme court has upheld the reasonableness of the standard provision in accident policies requiring treatment of injured policyholders in incorporated hospitals, and denied William Ross recovery for the amount expended in medical treatment in a hospital that did not fall within that classification, in a suit against the First American of Lincoln. The purpose of the provision being to insure treatment in a hospital more permanent in character, having better facilities for treatment and thus shorten the period of disability, says the court, it must be held that there can be no recovery for treatment in any other class. It rendered judgment, however, against the company for \$776 indemnity.

The court holds that where a health and accident policy requires written notice of injury or sickness within certain definite days after the commencement of disability, it is sufficient compliance if a person who has received an injury apparently trivial in its nature, but which thereafter results in total disability, gives notice when a condition develops such as would warn a person of ordinary and reasonable prudence that a disability had occurred or might occur which would entitle him to indemnity.

A gain of 50 percent in accident and health business is reported by F. W. Timby, manager of the San Francisco office of the Preferred Accident.

Johnson Heads Coast Clubs

Named at California Accident & Health Association's Annual Meeting Held in Los Angeles

LOS ANGELES, Oct. 4.—At the annual meeting here of the California Accident & Health Association, George Johnson, United States Fidelity & Guaranty, was elected president; George W. Kemper, Great American Indemnity, vice-president, and Fred W. Timby, Preferred Accident, secretary. All are from San Francisco, where the annual meeting will be held next year. The San Francisco and Los Angeles clubs alternate in the conventions and the officers of the state association.

The president-elect was instructed to appoint a committee to draft by-laws for the California association and submit a copy to each club for consideration, criticism or revision. This action was strongly urged by W. E. Lebby, Massachusetts Indemnity, Los Angeles, the retiring president. He suggested that the by-laws provide for the election of a vice-president and two directors from each club. Other recommendations included the appointment of a membership committee, composed of two members from each club, and setting aside one week for a membership drive; continuation of the use of membership cards; continuation of membership in the National Association of Accident & Health Managers and the organization of local associations throughout the state, similar in organization to the life underwriters' association.

Educational Work Stressed

President Lebby stressed the importance of an educational program and urged the appointment of an educational committee, composed of two members from each club. "Education among the producers of our business," he said, "is the key to a better understanding. With knowledge, premiums increase and this means more dollars in your pockets as managers and general agents. It is the knowledge of our business that keeps the producer in the business, and the lack of knowledge keeps him out of it." Mention was made of the success of Accident & Health Insurance Week and a recommendation made that it be sponsored each year and efforts exerted to have the idea adopted nationally.

Mr. Kemper, who is president of the San Francisco club, and R. B. Oshier, Federal Life, reviewed its work the past year. Bert R. Jones, Maryland Casualty, discussed the course of instruction in accident and health insurance that he is compiling for use in San Francisco and the East Bay district. Reports for the Los Angeles club were given by I. C. Cunningham, Occidental Life, president, and Walter Mast, Continental Casualty, secretary, who also spoke on "Service to Our Assureds from a Manager's Standpoint."

Mead Unable to Attend

Dwight Mead, Pacific Mutual Life, Seattle, vice-president National Association of Accident & Health Managers, who was to have been the principal speaker, was unable to attend. He sent a telegram expressing his regret and extending congratulations and best wishes.

A message was sent to Earl McGary, secretary the past year of the California association, expressing best wishes for speedy recovery from his illness.

The latter part of the session was devoted to a round table discussion of the following subjects: "Are sales meetings a primary requisite to agency production?" "Exclusive territory vs. open territory for agents." "Should local agents divide commission with specials to properly appreciate such field work?" "Should compulsory disability insurance

become a state measure?" "Effect of 50 percent inflation on accident and health business."

H. F. Thompson, National Casualty, Los Angeles, was toastmaster at the banquet.

Has Reimbursement Policy

Continental Casualty Announces New Contract That Is Being Put on the Market

The Continental Casualty has gotten out a reimbursement policy called the "New Era." Heretofore the company has written medical reimbursement by a rider on a regular policy for an additional premium. Now it gets out a regular policy paying capital sum for loss of life, principal sum for loss of both hands, both feet, entire sight of both eyes, one hand and one foot, one hand and the sight of one eye, one foot and the sight of one eye. It pays half the principal sum for loss of one hand or one foot. Where \$5,000 is the principal sum it pays \$1,666 for loss of one eye and \$1,250 for loss of thumb and index finger on either hand. The indemnities are doubled if the insured is injured on a common carrier. A special indemnity of \$12.50 to \$162.50 in addition to other indemnity is given for loss of one or more toes or fingers, complete dislocation of joints or complete fracture of bones of skull, arm, shoulder, leg, hip, pelvis, jaw, hand, foot or one or more ribs, fingers or toes.

The policy may be sold under either one or two plans. Plan one is \$1 capital sum and \$5,000 or more principal sum with \$500 or more medical expense indemnity. Plan two is \$1,000 or more capital sum, \$5,000 or more principal sum and \$500 or more medical expense indemnity. For capital sum of \$1 as death indemnity, principal sum of \$5,000, payable for loss of limb and sight and \$500 limit medical expense reimbursement, the premium on class "A" is \$15. There is \$2 additional premium for each additional \$1,000 principal sum and \$100 medical expense. The rates for men and women on this plan are the same.

For capital sum of \$1,000 instead of \$1, the premium is \$16.70 for class "A" and \$3.70 for each additional \$1,000 capital sum and principal sum \$100 medical expense.

Hospitals Exempt in Ohio

COLUMBUS, O., Oct. 4.—John W. Bricker, Ohio attorney-general, in an opinion holds that the Ohio laws regulating or pertaining to insurance do not apply to contracts for furnishing of hospital service to the general public, individuals or groups, for a stipulated charge per annum, so long as such contracts are made only with persons for whom such service is to be rendered who are residents of the county where the hospitals or sanatoriums in which the service is to be furnished are located. The opinion was rendered in connection with a proposition submitted by the Cleveland Hospital Council, for the selling of hospital service. The proposed service does not include hospitalization for contagious diseases, mental diseases, maternity cases, or injuries or diseases for which hospitalization is available without cost to the patient under any law.

Conference Committees Named

C. W. Ray of the Hoosier Casualty, president of the Health & Accident Underwriters Conference, has appointed the conference committees for the coming year. The chairmen are: Auditing, A. J. Alwin, Minnesota Commercial Men's; constitution and by-laws, H. G. Royer, Great Northern Life; education, E. C. Bowlby, Fidelity Health & Accident; entertainment, W. G. Alpaugh, Inter-Ocean Casualty; grievance, R. L. Walker, National Masonic Provident; legal, E. St. Clair, North American

Accident; legislative and public relations, J. W. Scherr, Inter-Ocean Casualty; manual, R. S. Hills, Massachusetts Bonding; membership, C. W. Young, Monarch Life; necrology, C. G. Trapagen, Time; program, L. D. Cavanaugh, Federal Life; resolutions, C. O. Pauley, Great Northern Life; statistics, M. W. Hobart, Ministers Casualty Union.

A. & H. Course in Seattle

SEATTLE, WASH., Oct. 4.—The Seattle Accident & Health Club is sponsoring an accident and health course to be given here by the Insurance Society of Washington. The course will be modeled after one given by the New York branch of the Insurance Institute and is expected to begin in October.

Accident Notes

The Occidental Life has appointed W. B. Smith and E. M. Gossett general agents for the life and accident departments for Arizona, with headquarters at Phoenix.

W. H. Ostrander of Chicago, who has promoted various now defunct assessment and Lloyds organizations in that city, has organized two new assessment associations with headquarters at Pierre, S. D., the Pioneer Life Association and the Business Men's Protective Association, to write life policies and sick benefits.

Fidelity-Surety Activities

Question Whether Cashier's Acts Were Embezzlement

The bond sued upon agreed to reimburse the employer bank by reason of the fraud or dishonesty, amounting to embezzlement, on the part of its cashier. The cashier cashed checks for a number of companies with knowledge that they were insolvent and had no deposits in the bank. The president of the bank dictated these acts, and his cashier carried them out. Held that the acts of the cashier do not constitute a breach of the obligations of the bond. The provisions of the bond show that there was no thought of the parties to extend the application of the expression "embezzlement" to acts of the cashier when taking part with the president of the bank in making excessive loans and recognizing overdrafts. It is expressly stated in the bond that the surety shall not be liable for any act done by the cashier in obedience to any instruction from a superior officer. The words fraud and dishonesty amounting to "embezzlement" are to be taken in their broad generic sense, and the fraud and dishonesty must in effect be embezzlement. *Thompson v. United States Fidelity & Guaranty.* U. S. Dist. Ct., Dist. of Idaho.

Return Premiums in South Dakota

PIERRE, S. D., Oct. 4.—Since the last legislature abolished the state bonding department which had been writing surety bonds for state and political subdivisions of the state the question of unearned premiums has been an issue. The attorney-general has notified W. J. Dawson, insurance commissioner, that he should return to the state and its political subdivisions unearned premiums on a basis of short rate returns similar to the procedure of fidelity and surety companies.

The insurance department is now making the necessary computations for returns, and when that is completed the standing of the department in regard to its ability to meet existing claims will be better known.

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E. G. TRIMBLE, President

KANSAS CITY
NEW YORK
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LOS ANGELES

Casualty Agents Hit Lloyds' Plan

(CONTINUED FROM PAGE 23)

blanket bonds written at Lloyds. "Inasmuch," he said, "as no provision exists for the admission into this country of individual underwriters, there should either be such revision of the laws as will legitimately and properly qualify all insurance carriers, subjecting them to the same regulations and taxation or a serious penalty should be invoked where such insurance is either sold or pur-

chased illicitly. It would appear that this situation is amenable to immediate correction on the part of the banking authorities since the banks who are so closely related to the treasury and other federal departments are the chief offenders."

The Lloyds' competition in the bankers' blanket bond field is resented in many quarters. The differential in rates between the Lloyds' contract and the contract issued by a regularly authorized company is made possible because of the freedom of Lloyds from taxation, from expenses of examination, from bureau and association assessments. This might be said to be the price of citizenship, which Lloyds avoid. A feeling of indignity is being engendered because of this fact and federal and state legislation to prohibit banks from patronizing insurance institutions not licensed in this country seems to be imminent.

Non-Bureau Companies

Another resolution of the agents' organization was one memorializing the incoming administration to exert the utmost help in bringing about a complete amalgamation or in any event stabilizing business relations as between bureau and non-conforming companies. This resolution also was prompted by the recommendation of Mr. Wilson.

Mr. Wilson also discussed the question of commissions on surety bonds. He said that conferences with company officials on the question of commissions on bankers' depository bonds did not result in a remedy for the agents.

As to diminished commission upon suretyship for certain classes of public construction work, Mr. Wilson said only partial success has been achieved in that the companies have assured the agents that they would not propose to reduce commissions upon projects estimated to cost less than \$2,000,000. However, the companies have insisted that upon federal aided projects coming over the \$2,000,000 mark a radical reduction in commission cost is necessary. The agents' association has resisted such procedure to the utmost and has never acceded to this as a permanent policy.

One encouraging result, he declared, is the definite assurance of the surety companies that future action involving commission changes and agency interests will not be taken without conference with representatives of the agents' organization.

National Surety Elected

The new National Surety was elected to membership in the International association, replacing the old National Surety. A number of companies which had passed out of the picture during the year, were dropped from the roll, they being the Central West Casualty, Independence Indemnity, International Re-insurance, Lloyds Casualty, New Jersey Fidelity & Plate Glass and Union Indemnity.

The agents held a three-hour conference with Superintendent Van Schaick of New York and J. A. Beha, manager National Bureau of Casualty & Surety Underwriters, on the compensation question. It was at the instance of leaders in the agents' association that the compensation subcommittee, headed by Van Schaick, was appointed at the June meeting of the National Convention of Insurance Commissioners. The agents have recited to Mr. Van Schaick on many occasions the virtues of the retrospective rating plan and the work hour basis, which they have been advocating. They feel that Mr. Van Schaick is determined to broach a real reform program and they hope that he will embrace some features of the program which the agents are sponsoring.

The general agents as well as company officials are deeply concerned over the continued unsatisfactory status of compensation and stand ready to lend whatever aid they may in bringing about improvement in the line. Despite the unwillingness of company actuaries thus far to support the retrospective rating plan or the work-hour method of de-

Rate Increase of 9% in Wisconsin

(CONTINUED FROM PAGE 23)

pointed out the importance of companies remaining solvent so that they can continue to pay legitimate claims.

In discussing the question of how much compensation premium rates should be increased, Mr. Mortensen criticised the companies.

"One may reasonably believe," he said, "that if the insurance companies made proper audit of all insured pay rolls, if they would refrain from misclassification of employees, and if they would exercise the degree of economy that a large number of industries and individuals have enforced since the advent of the depression, then the full amount of increase applied for would not be necessary.

Expense In Excess of Loading

"It is admitted by some of the companies that the expense of management and operation of their business runs as high as 47 percent of the total amount of premiums collected. This is far in excess of the fixed 38 percent of permissible expense loading.

"We wish it were possible, in passing on this question before us, to limit the expenditures of some of these companies. For instance, it is noticeable that some of their chief executives are being paid salaries which we consider excessive, especially during the depression, and entirely out of line with the modern trend in respect to compensation for services rendered. It seems that there is no justification for paying a salary in excess of \$25,000 a year to any officer of a casualty company regardless of his ability or experience.

Employers Hard Pressed

"Depression has taken its toll of industry, and employers have been hard pressed to meet their obligations. Whatever increase in rate is granted imposes an additional burden upon them. This burden should not be increased beyond the degree of absolute necessity. Companies are not justified in asking for increase in rates to produce more premiums until they have reduced their operating expenses to the minimum, which should include a readjustment of salaries to a basis commensurate with the standard of living. This suggestion, while it may not be considered pertinent to the instant issue, we believe is timely, for if further increase in rates should become necessary under continued prevailing conditions the justification of such increase would be nigh unto impossible. Under such a situation it would probably result in public opinion being so vividly focused upon it that the legislature would be called upon to formulate a plan of relief. While the petition relates to an increase in pure premium only, nevertheless a corresponding increase will be reflected in the expense loading as well. If the companies make a saving in the management expense they would have that saving to apply to the payment of benefits. It must all come out of the premium which is collected from the employer."

Opposes Minimum Premium

In discontinuing the \$10 expense constant on policies with less than a \$300 premium, Mr. Mortensen said he realized the discontinuance of this would be disappointing to companies writing a

large number of smaller risks, but he is against the principle of a minimum premium which is burdensome to the small operator.

In discontinuing the emergency loading of 4.2 percent, in effect for the past year, Mr. Mortensen said any increase which is granted should take this factor into consideration.

Mr. Mortensen said that the request for approval or reclassification of industries into three groups, construction, manufacturing and all others, will not be acted upon at present as it is an inopportune time to disturb the existing system.

Casualty Insurance Talk That Attracts Attention

(CONTINUED FROM PAGE 23)

leniently with him. This executive declares that there should be a far more severe attitude on part of the courts. While stripping cars in order to get parts may be somewhat reduced in Chicago, this executive declares that there are more cars as a whole being stolen which he attributes largely to the world's fair traffic.

* * *

INCREASES FROM NEW AGENTS

There are some companies that are showing increases at least in some departments of their business but this is not due to any augmented volume from the old agents. It would be surprising to find any company that is even breaking even on production from its old plant. The increases are coming from new units. Some companies feel that this is a time to stir around and beat the brush. Naturally agents of failed companies have gravitated toward the more substantial ones. That has been the chief source of added income. Where companies have been able to secure new agents they have gotten some of their business. Even out of plants of collapsed companies there are some very excellent agents.

* * *

CONTRACT BOND UNDERWRITING

Surety underwriters are exceedingly careful in writing contract bonds these days to ascertain not only the latest financial situation with regard to the contractor but also if on securing his new job he has a binding agreement as to the amount and cost of material that he will use. With the uncertainty as to prices a contractor could get into trouble having no stipulation as to the quantity and price of the material to be delivered. No one knows just what effect the NRA will have on prices of building and construction material. There may be some fluctuation in the cost of labor also. Hence all these factors have to be considered in passing on a bond.

* * *

REIMBURSEMENT POLICIES

Notwithstanding the increase in rates for reimbursement accident insurance amounting to about 15½ percent the Travelers continues to make that one of its big features in accident soliciting. The Continental Casualty has just gotten out a new reimbursement policy. Those who are watching the stars predict that reimbursement policies, both for accident and health, will be the coming contract for the future. While the personal element will always be a factor in adjustments of accident and health claims, many feel that the time is coming when reimbursement policies will be sold more on the basis of fire loss adjustments. When a person actually pays out money for medical reimbursement that is prima facie evidence that claim has been incurred. The fact that physicians and surgeons may take advantage of the fact that more people are carrying this insurance and therefore realize that their bills will be paid naturally will have an influence in increasing the claim ratio.

In looking back over the growth of your own business, what were the factors that aided in that growth?

Giving a fair deal, or making an honest effort to do so, was one, no doubt, just as it has been with THE PREFERRED ACCIDENT.

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CASUALTY PERSONALS

Julian P. Bowen, director of the Standard Accident and prominent in Detroit financial circles, died there from heart disease. He was a brother of C. C. Bowen, vice-president and secretary of the Standard, and of P. M. Bowen, vice-president.

H. A. Behrens, president of the Continental Casualty and Continental Assurance, is chairman of the emergency relief campaign work for Cook County and Chicago. He is giving much time to preparing for the drive. President Behrens leaves Friday afternoon this week for New York with the agents of the Continental Assurance that have qualified for the Bermuda trip, they being members of the "President's Club." They will spend two days each way en route and two days at Bermuda. In addition to President Behrens, Executive Vice-president G. F. Claypool of the Continental Assurance, and D. M. Phipps, director of field service, will make the trip.

Myron N. Platt, manager of the Travelers in Kansas City, celebrated the 20th anniversary of his association with the company Sept. 29. Employees and agents of the company surprised Mr. Platt with 220 applications, secured in a two weeks' campaign.

Mr. Platt first joined the Travelers in New York, and after two years there went to Denver as manager. Five years later he went to Kansas City as manager and has been there since. He always has been active in association affairs, and has headed the Casualty & Surety Underwriters Association there several terms.

R. W. Myers, vice-president and comptroller of the Aetna Life, completed 25 years with that organization Oct. 1. In recognition of the event he was presented with a number of beautiful floral gifts along with a deep sea fishing outfit.

Mr. Myers was born in Wells, Minn. He began his insurance career in 1904 with the National Surety, where he became assistant superintendent of its burglary department. In 1908 he resigned to become superintendent of the Aetna Life's burglary department, which he organized. In 1911 he was appointed assistant secretary and in 1914 was promoted to secretary. In 1924 Mr. Myers was elected vice-president of the accident and liability department of the Aetna Life and Aetna Casualty & Surety and in 1929 was elected vice-president and comptroller of the Aetna Life companies.

H. C. Mitchell, who for a number of years was vice-president and general manager of the Commercial Casualty of Newark, and later was president of the Georgia Casualty, has been appointed general agent of the Consolidated Indemnity for Kings and Queen counties, New York, and has located at 147 Montague street, Brooklyn. He formerly conducted an agency in Brooklyn. After leaving the Commercial Casualty he opened a Brooklyn office representing the General Accident. After the Georgia Casualty was taken over by

the Public Indemnity, Mr. Mitchell opened an office at Newark as general agent for the Consolidated Indemnity.

John McClung, an agent of the Continental Casualty at Manhattan, Kan., had the distinction of mailing in the first application in its accident and health contest which started Sept. 25. His application was mailed and postmarked at 5:12 a. m. of that day and was sent air mail, special delivery, so that there would be no chance of its failing to be the first one received.

Mrs. E. F. Steinhauer, wife of the vice-president of the Central Surety of Kansas City, died there Sept. 30.

The Standard Accident has gotten out a folder which gives in succinct form the main features of Michigan's new financial responsibility law applying to automobile owners which goes into effect Oct. 16. Agents now are busily engaged in selling property damage, public liability and collision insurance to Michigan car owners. Under

the act, a person must furnish proof of financial responsibility in the amount of \$5,000 to \$10,000 for public liability and \$1,000 for property damage before he can be relicensed.

Casualty Company Activities

Gains Reported by Excess for the Six Months Period

The Excess of America reports for the first six months earned premiums of \$1,182,014, compared with \$1,102,718 for the corresponding period last year and an underwriting profit of \$70,822 against \$19,937 for the first six months of 1932. Continuing the improvement shown in 1932, the company also reported gains in its other principal items. Gross assets as of June 30, 1933, rose to \$5,140,140 as against \$5,009,301 on March 31, 1933, and \$4,784,727 as of June 30, 1932. The contingent reserve as of June 30, 1933, was \$409,435 compared with \$268,385 for the corresponding date last year. Losses paid during the first six

months amounted to \$544,805, which is \$233,600 less than the reserves set up on these cases in previous statements.

Investment income for the first six months of 1933 totaled \$81,057 compared with \$78,103 for the first half of 1932. The gain from investments for the period ended June 30 amounted to \$15,798, as compared with a loss of \$12,454 for the same period of 1932.

Court Denies Receivership for Indiana Liberty Mutual

INDIANAPOLIS, Oct. 4.—The court here has held that the Indiana department had no authority to sue for a receiver for the Indiana Liberty Mutual and dismissed the suit. On March 25 the department ordered the Indiana Liberty Mutual not to write any more business in Indiana unless it was reinsured 100 percent. The company had also been authorized to levy an assessment of one annual premium against its policyholders, which was done. So many complaints were received that the department later entered suit for a receiver, which has now been denied. The company has been writing compensation and liability insurance.

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CHANGES IN CASUALTY FIELD

General Casualty Changes

Some Shifts and Promotions Have Been Announced by the Seattle Company

Several changes have been made in the home and branch office personnel of the General Casualty of Seattle.

G. C. Huskins, who has been the field man of the home office for the General Casualty, is being transferred to the southern California department at Los Angeles. His work will be the development of automobile and miscellaneous casualty and surety business in that field. Mr. Huskins is being replaced in the home office territory by H. W. Pi-

gott, who has been in charge of the automobile underwriting department for the General Casualty for the past seven years.

Ben C. Sturges, who has been with the underwriting department of the General Casualty for about a year, will now be underwriting manager, having supervision of that work over the entire General Casualty field of automobile, miscellaneous casualty and surety.

E. P. Welch, who originally organized and was for several years in active charge of the home office surety department, but who resigned about a year ago, has again become associated with the home office organization as field man for the casualty and surety departments of the newly organized



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Lewis Assistant Resident Manager of Employers

P. C. Lewis has been appointed assistant resident manager of the Illinois department of the Employers' group under George F. Douaire, resident manager.

Mr. Lewis has had some 25 years' experience in fire and casualty lines. For several years he has been connected with the Employers' home office, previous to which he was resident secretary of the Royal Indemnity for New England, and for some time before that with the Great American Fire in Boston.

Joins Richmond Agency

E. L. Benson, Jr., casualty underwriter for the Richmond branch of the Travelers for the past five years, has resigned to become a member of the Richmond local agency firm of Goodridge & Leary, the style of the firm being changed to Goodridge, Leary & Benson.

Loomis to Mercer Casualty

Harry H. Loomis, city clerk of Des Moines, has resigned to become underwriter and loss supervisor for the Mer-

Broader Omnibus Clause Is Ordered

(CONTINUED FROM PAGE 23)

Underwriters, as these companies are declared to have been meeting such claims on a broad basis, but rather to a few smaller companies which perhaps are in pinched financial condition and are attempting to shave claims.

As a matter of fact, the bureau companies have about come to the conclusion, as a result of many court decisions throughout the country more or less ignoring the "legally" or "lawfully" phraseology of the omnibus clause and rendering judgment to injured persons, that the words should be stricken from the clause. This has been under consideration since early this year, and companies in the bureau have been permitted to use the words or not, as they see fit.

The intent of the policy in reputable companies is to cover the assured's legal liability for the car's operation, and many companies feel that in order to make this intent clear it might be well to eliminate the contested phraseology.

On the other hand, its inclusion in the policy serves as a check against unwarranted claims in the case of damages done by utterly unauthorized persons. There is entirely too strong a drift among jurors to award damages to injured persons merely because they are injured, and without regard for the facts of the individual case. Many underwriters fear the prospect of letting down the bars entirely so there can be no legitimate refuge. It is said there can be no successful support of the contention that a car owner should be held legally liable for the acts of persons whom he has not authorized to drive his car, or perhaps even of thieves.

Experienced Casualty Underwriter Wanted

Progressive casualty company has opening in Chicago office for young man with underwriting experience in all casualty lines. In reply give age, qualifications and salary desired. Address X-90, The National Underwriter.

Experienced Auto Underwriter Available

Experienced automobile insurance underwriter, age 30, seeks connection in home office, branch office or large local agency. Address X-89, The National Underwriter.

cer Casualty, National Mutual and Celia Mutual Casualty, with headquarters at Salina, Kan. He was formerly assistant agency manager and later claim manager for the State Automobile.

New Philadelphia Agency

Howard Hager & Co. have been appointed general agents of the Fireman's Fund Indemnity in Philadelphia. Mr. Hager has associated with him A. F. Timmons and F. L. Smith. All were formerly with the Alliance Casualty, which was merged with the Indemnity of North America. Mr. Hager was manager of the Philadelphia branch of the Alliance Casualty, Mr. Timmons of the bonding department and Mr. Smith of the casualty department.

Olin Pollock Resigns

Olin Pollock, for several years assistant manager of the Detroit branch of the American Automobile, has resigned. Robert Z. Alexander is branch manager.

Actuarial Society to Meet

NEW YORK, Oct. 4.—The Casualty Actuarial Society will hold its annual meeting at the Hotel Pennsylvania here Nov. 24.

Chicago Men Ready For the Big Rally

(CONTINUED FROM PAGE 1)

ladies. Dudley Crafts Watson will be in charge. The bridge club at the Drake hotel will be open to the convention people.

On Wednesday noon Walter H. Bennett, secretary of the National association, will be one of the speakers at the Chicago Association of Commerce luncheon at the LaSalle hotel. This is the regular weekly luncheon of the Chicago Association of Commerce, but as usual during fire prevention week, insurance people participate. Dr. Charles H. Mayo will be the principal speaker, and Dr. F. H. Martin, director general of the American College of Surgeons, will also be heard. The conventioneers are urged to turn out for this luncheon.

Golf Arrangements Made

W. E. Rollo, chairman of the golf committee, reported that a number of country clubs have been made available to the conventioneers. They include Beverly, Midlothian, Olympia, Ravisloe, Exmoor, Westmoreland, North Shore, Hinsdale and Oak Park.

P. B. Hosmer, chairman of the finance committee, reported that 700 \$5 convention registrations have been sold. Of these 570 were from Chicago. Some of the companies have taken as high as 50 registrations. This is in the nature of a contribution.

The Chicago people are conducting negotiations, looking to the staging of some sort of a fire fighting exhibit at the world fair during the convention. The idea would be to have all types of fire fighting equipment represented, including a fire boat and fire insurance patrol paraphernalia. Those who are conducting negotiations feel that an effective, illuminated display could be put on.

Others who explained arrangements were L. P. Warren, registration; Rockwood Hosmer, reception; L. E. Yager, president of the Chicago Board; Allan Wolff, chairman of the National association; Frank Holmes, former secretary of the National association, and George W. Roberts, publicity.

At the solicitation of Mr. Read, those in attendance guaranteed to supply the necessary number of automobiles, errand boys, young women for the registration booth and young men to give information.

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